Daily Report

Latin America

FBIS-LAT-92-049
Thursday
12 March 1992

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FBIS-LAT-92-049 12 March 1992

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Chile

Santiago radio reports President Patricio Aylwin's news conference on the second anniversary of his inauguration. Aylwin assesses the accomplishments and goals of his administration and states: "I believe we are progressing and that we are fulfilling our promises to the Chilean people." He also responds to a number of questions on the issue of Erich Honecker and tells reporters, "I hereby inform you and the entire country that the decision to accept him was my decision, and I assume full responsibility for this decision." He reiterates the government's proposal that Chile, the FRG, and Russia "unanimously seek the most acceptable solutions, based on the principles of international law and equity."

According to Santiago TV, Army Commander General Augusto Pinochet said his words were "misinterpreted" when he said that his rank as commander in chief is irremovable because it is the rank of a chief of state. Following a meeting of the "entire corp of generals" at the War Academy, Pinochet told reporters: "A daily published a foolish remark indicating that I said my rank was that of a chief of state. This is a mistake. What I said is that to have the rank I hold I had to be chief of state. Do you understand?"

Honduras

President Callejas is quoted by EL HERALDO as saying: "At no time has the government even contemplated that possibility." This was in reference to a statement by his defense minister concerning the likelihood of forceful eviction of Salvadoran guerrillas from the disputed border area. Callejas affirmed that the statement "could be misconstrued to mean the country is in a warlike situation, which is not so."

Cuba

Commentary Says Anti-Cuban Bill Lacks Support

PA1103183592 Havana Radio Havana Cuba in Spanish 1330 GMT 11 Mar 92

[Roberto Morejon commentary]

[Text] The Torricelli draft bill sponsored by U.S. Congressmen Robert Torricelli and Robert Graham constitutes an anti-Cuban monstrosity which is based on the most visceral and irrational positions. In fact, the initiative even goes against the interests of business groups inside and outside the United States. It is a known fact that a capitalist would be willing to do anything, except when it affects his bank account. Inspired by the most obstinate anti-Cuban counterrevolutionary groups headed by mafioso Jorge Mas Canosa, the Torricelli initiative seeks to strengthen the economic blockade against Cuba by involving other countries. One article would prohibit U.S. subsidiaries from doing business with Cuba, similar to an amendment, which did not pass, presented in 1991 by Republican Senator Connie Mack. Neither Torricelli nor his accomplice Mas Canosa have found an effective way to carry out their destabilizing plans. They are not concerned about the fate of Cubans, whom they want to strangle in a short time.

The problem is that the draft bill puts the United States in the unacceptable position of trying to tell its allies the way they must conduct their foreign trade policy. In a statement to the Miami newspaper EL NUEVO HERALD, British Ambassador to the United States Robert Smith said London views the Torricelli initiative as direct intervention in its sovereignty. Ambassador Smith added: A British company in the United States is subject to U.S. laws, while a U.S. company in the UK operates under British laws. Believe me, U.S. congressmen would fight like demons if London tried to impose a draft bill of that nature on Washington.

Several counterrevolutionary groups established on the island are not supporting the draft bill by Torricelli and czar Mas Canosa. For tactical and not fundamental reasons, a sector of the ill-named dissidents has preferred not to back measures aimed at strangling Cubans through hunger.

Time will tell if Mas Canosa and his mentor Torricelli can impose their aggressive proposal, which, in addition to affecting Cuba, would cause severe problems for many companies and governments.

Government Aids 4,400 Haitians in Guantanamo

FL1103231492 Havana Radio Reloj Network in Spanish 2039 GMT 11 Mar 92

[Text] There are still some 4,400 Haitians—who landed on our coasts following the recent military coup in their country—in the aid camps set up in Guantanamo Province.

Vice Foreign Minister Ramon Sanchez-Parodi said Cuba will continue to help these people as long as they are on Cuban territory. However, at the same time, the government and the UN Office of the High Commissioner for Refugees are taking steps with a view to getting them back to Haiti.

Sanchez-Parodi asserted that certain demands made by the military junta that took over the government in Haiti have constituted obstacles to this solution.

Meanwhile, in the camps managed by the International Red Cross, Cuba offers the refugees medical assistance and the best living conditions possible.

Bicycle Production Over 10,000; 25 Units Working

FL1203005192 Havana Radio Reloj Network in Spanish 2032 GMT 11 Mar 92

[Text] The five enterprises of the Steelworking Industry [SIME], which have been devoted to manufacturing bicyles since May of last year, have produced over 10,000 bicycles. SIME Production Director Raul Prein says 2,470 bicyles were built in February, mainly through the efforts of the Claudio Arguelles Factory in Havana and the Villa Clara INPUD [National Industries for Domestic Products and Appliances].

Since the production of the first lot by the Heriberto Mederos Factory in Caibarien, a process of technological adjustment has been developed. More than 25 enterprises have been brought into the process. Through cooperation in production, these enterprises will reach a production of 500,000 bicycles within two years. Bicycles for adults are currently being manufactured at the Claudio Arguelles Factory, with a more youthful design for the Union of Young Communists Congress. The idea of increasing the production of tandem bicycles and tricycles has not been ruled out.

Rosales del Toro Praises Electronic Workers

FL1103150492 Havana Radio Rebelde Network in Spanish 1000 GMT 11 Mar 92

[Text] Division General Ulises Rosales del Toro spoke to civilian and soldiers of the Revolutionary Armed Forces [FAR], who belong to the Hands of Gold Movement, saying that they represent a valuable bastion in the solution of electronic problems in support of defense objectives.

The member of the Politburo presided over the first meeting of those dedicated to offering their innovations to modernize and improve the potential of equipment and armament, and to apply the latest technology in the electronic sector. During the meeting, held at the FAR Ministry building, 76 specialists received diplomas of recognition for their contribution to defense readiness, and shared their experiences.

Batista Evaluates SUVP Progress in Guantanamo

FL1103222592 Havana Radio Reloj Network in Spanish 2048 GMT 11 Mar 92

[Text] Division General Sixto Batista Santana, national coordinator of the Committees for the Defense of the Revolution [CDR], met with top leaders of the Ministry of the Interior in Guantanamo Province, where he evaluated the progress of the Unified Vigilance and Protection System [SUVP]. Batista Santana visited different base-level organizations to learn about the tasks that are being carried out by the CDR, such as revolutionary vigilance, recycling raw materials, and blood donations.

* Report on Police Work, Economic Crimes

92CA0098A Havana BOHEMIA in Spanish 21 Feb 92 Number 8 pp 30-33

[Article by Juan Carlos Rivera. For related reporting on this issue see FBIS-LAT-92-036]

[Text] It had rained and the yellowish gravel dust mixed with the water to form a sticky mud rendering the road impassable. The men getting in and out of the Ciudad de La Habana Commercial Transport Enterprise truck parked on the bridge over Calle 100 and leading to the electrical plant did so as casually as could be. From a distance, one might have thought it was just another shipment of frozen chickens ready for some authorized center to receive them, but there were no factories, cafeterias, or nursery schools in the area, only scattered dwellings.

A law enforcement officer with the characteristic dark circles under his eyes of one on 24-hour guard duty moved toward the stop and took a suspicious look around. Exasperated, he muttered, almost out loud:

"Christ! I can't get any sleep with these bastards!"

When he moves in to take a closer look, one of the men flees terrified to a small woods nearby, confirming the guard's suspicions: illegal economic activity. Three individuals are arrested: the driver, a helper, and a loader. From here on, the tangled web will be unwoven by the PNR [National Revolutionary Police] Department of Operations' interrogations and investigations.

"Case of the Golden Feather"

For Captain Rolando Bichot Morales, the "Case of the Golden Feather," as he has dubbed it, could be considered typical of economic crimes in terms of the modus operandi and peculiarities. To date, 19 persons have been arrested and most have a background of apparently proper social behavior and education, no criminal record, and exemplary work records.

"Violations against the economy are not handled like ordinary reports stemming from residential burglaries or street fights, for example. These cases are essentially detected by police legwork and a number of government mechanisms set up to perform inspections, verifications, and audits of economic departments of institutions which have administrators and officials to oversee a variety of assets and securities," the official said.

The illegal activity in question involves workers employed by commercial supply and meat companies in the capital. Precisely how does it work?

Those involved routinely steal 20 or 30 crates of frozen chickens when already on the road in order to sell them at black market prices. Investigations conducted from January to June of last year revealed that some 32,117 kg of poultry worth 242,656 pesos on the commercial market were missing. The amount of fresh chicken lost from processing plants is at least 52 tons, but this figure is not final.

A bogus attorney acting as legal adviser to the Commercial Transport Company apparently supplied the brains behind the lucrative business and imposed his rules of play on subordinates. Even though Ramon Fuentes Diaz never graduated from the university, he still worked as a lawyer and enjoyed great professional prestige, winning all cases in which his company was involved!

Police inquiries revealed that once the chickens arrived at residences in Arroyo Naranjo where they were being sent, they were sold in less than 45 minutes.

Major Ernesto Herrera explains:

"If I were asked what qualities characterize a police investigator, I would say wisdom, a suspicious nature, enough training in psychology to understand the people with whom one is dealing and their behavior. However, above all these I would list a talent for observation. Anyone who does not have these qualities should seek some other trade because communication between the accused and the investigator is decisive in conducting any investigation properly.

"The accused must recognize the charges against him, not only so that light will be shed on the case, but also so that his cooperation may be obtained.

"In 1991, economic violations increased in the country. This is often due to a lack of control in institutions, violations of provisions and regulations governing the work of government entities, improper application of the National Accounting System, poor supervision by many administrations of property entrusted to them, and inadequate protective measures for storehouses, workshops, factories, and other establishments.

"These failings constitute the causes and contributing factors making it easier to commit illegal activities against our economy."

"Which types of crimes were most frequently committed against the economy last year?"

"In 1991, those most frequently committed were embezzlement, misappropriation, failure to protect the property of government economic units, receiving stolen goods, and illegal economic activity."

In the PNR's Provincial Department of Operations, police effectiveness is a fact. It handles those cases whose complexity, importance, and social impact require its services. Its work is aimed at solving crimes and obtaining elements proving the guilt or innocence of the accused. After all, while no guilty party must go free, no innocent person must be found guilty either.

Other Cases

The Case of the Golden Feather confirms the old saying that second reports are never good, inasmuch as the criminal investigation is steadily making the police file grow fatter and fatter with evidence and legal documents against the accused, resulting in two operations.

This second investigation of various poultry processing and storage centers (slaughterhouses in San Antonio and Santiago de las Vegas and the Provincial Specialty Unit connected with the Jose Maceo Cold Storage and Distribution Plant in El Calvario) has also touched on a sore point.

When the entire slaughterhouse production line process was analyzed and an inspection was made of scales and other instruments of measurement involved in production and accounting processes, along with physical and industrial safety, a whole series of items were uncovered pointing to constant violations of the law.

The lack of efficient means of verifying production waste, a shortage of chickens in cold storage, and even shipping area conditions that foster theft, combined with other organizational and administrative deficiencies, make it nearly impossible to quantify the magnitude of stealing.

As originally designed, slaughterhouses were set up with an automatic counting system reflecting the amount of poultry entering the process. However, the system has not been in operation for years and has been replaced by visual counting. Police experts ascertained that the system is not working properly because as many as 100 chickens a day sometimes go uncounted!

Another breakdown in the system is in the shipment of birds from the farm to the slaughterhouse. Set routes enable drivers and helpers to make off with substantial numbers of birds if, upon arriving at the slaughterhouse, no physical count is made in order to compare figures on how many birds left the farm and how many reached the slaughterhouse.

As one police expert pointed out, crimes against the economy during the Special Period (PE) are classified as violations of state security, inasmuch as those who steal goods and products of which there are shortages are attacking economic integrity and stability. Not only must they be tried and punished as counterrevolutionaries, but they must also be subjected to repudiation by the entire population.

In our country, violators should remember the old saying that time must take its course.

Dominican Republic

* Revenue for '92 Estimated at 15.6 Billion Pesos

92CA0099A Santo Domingo EL SIGLO in Spanish 12 Feb 92 (ECONOMIA SECTION) p 3-D

[Article by Victor Manuel Tejada]

[Text] Fiscal income for 1992 will come to a total of 15.571 billion pesos, including extrabudgetary income. This sum differs substantially from the budget figure of 11.8535 billion pesos approved by the National Congress.

The 21st Century Foundation says in a "Report on the Dominican Economy in 1991 and Prospects for 1992" that fiscal income will account for 15 percent of the expected gross domestic product (GDP), showing an increase over 1990, when it represented 13.4 percent.

The report also says that in the expenditure category, the sum of 5.885 billion pesos is allocated for amortization and interest payments on the foreign debt, to which must be added the resources already deposited in the Central Bank for these purposes in 1991.

The report says that this means the central government will have a very substantial flow of resources to be kept on deposit in the Central Bank for the exclusive purpose of making payments on the foreign debt.

According to the report, 11.492 billion pesos of the total sum of 15.571 billion pesos the government should receive in 1992 will come from tax income, 1.725 billion will come from extrabudgetary income in dollars, and 1.993 billion will come from the differential on fuels.

In the expenditure category, it is estimated that the government will use 5.570 billion pesos for current expenditures, 3.825 billion for construction and other capital expenditures, 3.614 billion for amortization of the foreign debt, 2.271 billion for the payment of interest on the debt, and 281 million for the purchase of real estate.

The foundation believes that if the government can negotiate a postponement of payments, debt pardons, buy-backs, or similar arrangements, then it will be able to put these resources, or a part thereof, to alternative uses.

The report further explains that if the tax reform were to be approved as submitted, or with slight modifications, the government would receive an estimated 500 million in addition from the ITBI [General Sales Tax].

The report also says that with a rate of exchange of 12.5 pesos to the dollar, any decline in the dollar price for oil will mean an increase of 225 million pesos in the differentials.

The trend seems to indicate that the price of oil will be substantially lower in 1992 than it was in 1991; this, according to the report, will mean an increase in the differential.

* Balaguer Spends 6.7 Billion Unbudgeted Pesos

92CA0099C Santo Domingo EL SIGLO in Spanish 12 Feb 92 (ECONOMIA SECTION) p 1-D

[Article by Victor Manuel Tejada]

[Text] The executive branch had discretionary control over 49 percent (6.6732 billion pesos) of all of the income received by the central government in 1991, according to figures provided by the 21st Century Foundation.

In a "Report on the Dominican Economy in 1991 and Prospects for 1992," this body further indicated that the central government collected 13.779 billion pesos, of which 10.45 billion went to accounts included in the budget, while 3.329 billion pesos were extrabudgetary accounts.

The report said that 50 percent of the extrabudgetary income was provided by the fuel differential, with a total of 1.816 billion pesos, while Falconbridge, on the basis of the agreement with the state, provided 994 million pesos.

The reasons for the large differential amount, apart from the increase in domestic fuel prices, were the decline in international oil prices and the stability of the exchange rate, the report said.

The report explained that fiscal budget income, which is that published every month by the Onapres [National Budget Office] was up 43 percent over that for 1990. The categories showing the greatest increase were taxes on imports (87.2 percent), the ITBI [General Sales Tax] (51.5 percent), and the tax on income (47.9 percent).

By contrast, the report revealed, the tax sums collected on alcoholic beverages and cigarettes declined 6.1 percent and 8.5 percent, respectively, as a result of the recession, since these are specific taxes which are not affected by price increases.

The report emphasized that the contribution obtained from the exchange surcharge of 15 percent increased by only 6.2 percent. The report attributed this to the fact that although the tax base grew with the incorporation of new categories, imports remained depressed because of the recession, and the rate of this charge was reduced from 20 to 15 percent.

Vast Sums Spent

According to the 21st Century Foundation report, the development of public expenditures in 1991 reflected the usual tendency to allocate more resources for construction than for current public services.

Therefore, expenditures on construction, for example, came to a total of 5.513 billion pesos, representing 41 percent of the budget total executed.

The government deposited 3.346 billion pesos, representing 25 percent of the budget total executed, in the Central Bank for the amortization of the debt and demonetization. The removal of this volume of resources from circulation had a positive impact on prices and the rate of exchange, the report stated.

According to its calculations, the foundation stated, the government allocated 644.9 million to payment of the foreign debt, while it deposited 2.2117 billion pesos in the Central Bank for demonetization, of which 1.3767 billion came from the fuel differential.

The foundation said that the executive branch made entirely discretionary use of 6.673 billion pesos, representing 49 percent of the total income obtained by the central government.

Of this total, 3.3446 billion pesos represented fiscal surplus resources, 1.5125 billion represented government dollar income, and 1.8161 billion were the product of the fuel differential.

* Onapres Surveys Government Revenues

92CA0099B Santo Domingo LISTIN DIARIO in Spanish 26 Jan 92 p 5

[Article by Jose Romero]

[Text] The fiscal month of December ended with an income total of 977.8 million pesos, the second highest of the year, bringing the overall total collected in 1991 to 10.228 billion pesos.

According to the most recent National Budget Office [Onapres] statement, that for the last month of last year, the December income was only exceeded by that in the immediately preceding month (November), which came to a total of 1.059 billion pesos.

The series including all the monthly statements shows that the monthly average for income in 1991 was 852 million pesos, with monthly expenditures of 795 million pesos.

Demonetization, or the total sum set apart in specialized accounts in accordance with the agreement with the International Monetary Fund (IMF), came to 691.5 million pesos. Thus the total expenditures paid out in 1991 came to 9.537 billion pesos.

As has now become usual, the General Customs Office was the body which collected the largest sum, a total of 4.416 billion pesos, followed by the General Income Tax Office, which collected 3.35 billion.

Next came the National Bonds Office, with a total of 1.462 billion collected, and the National Lottery, with a total of 1.487 billion pesos.

The miscellaneous category brought in 850 million pesos.

This was the year with the largest income total reported in the history of the nation.

Demonetization

The government introduced a new element, demonetization so that in April (the first month it was used), for example, 200 million pesos out of the total income of 921 million were set aside in the Central Bank, leaving 721 million pesos available for expenditures.

In May, 105 million pesos were set aside for this fund, while the figure for June was 101 million pesos, and that for July was 120 million pesos.

The demonetization total was 40 million pesos in August, and 125 million pesos in November.

During the other months, almost all of the income was paid out, leaving a limited sum as an available balance.

Monthly Development

Income collection began in the first month of last year with a total of 752 million pesos, of which customs fees accounted for 279 million, income tax 274 million, domestic bonds 107 million, the lottery 12 million, and the miscellaneous category 78.5 million pesos. This is traditionally a weak month, as are the two following.

Income dropped to 665 million in February and to 635 million pesos in March, but began to recover in April, with a total of 921 million pesos (a jump of almost 275 million), while the total in May was 825 million pesos, and that in June 819 million.

The level of funds collected remained high in July, initiating the second half of the year with 960 million pesos.

Income in August was 861 million pesos, that in September 712 million, with an increase again in October to 866 million. The total for November was 1.059 billion pesos (the best month of the year), and December ended with a total of 977 million pesos.

* Customs Revenues Increase 60.2 Percent in 1991

92CA0099D Santo Domingo EL SIGLO in Spanish 24 Jan 92 (ECONOMIA SECTION) p 1-D

[Article by Jose Mercedes Feliz]

[Text] In 1991, the sum collected by the Customs Office was 1.6383 billion pesos more than the amount collected in the preceding period, an increase of 60.2 percent.

According to a General Customs Office document, the sums collected last year came to a total of 4.3359 billion pesos, while the total for 1990 was 2.7176 billion pesos.

The report explained that during the year which recently ended, income in the amount of 4.3384 billion pesos was collected on imports of various articles, while the sums collected on exports came to 17.5 million pesos, and port fees contributed 6,643.27 pesos.

In 1990, income resulting from the import of various goods came to a total of 2.6323 billion pesos, while income from exports came to a total of 94,316.00 pesos, showing an increase of 81.4 percent over the total for 1991.

As can be seen, the expectations of the National Budget Office (Onapres) were exceeded, with the development of an overall surplus of 2.164 billion pesos, representing 98.7 percent of the total sum the General Customs Office expected to collect.

The document in question explained that because the budget for 1991 had not been approved, the estimates adopted were those for 1990.

For 1990, Onapres estimated that the customs total collected would be 2.1921 billion pesos; but in 1991 the figure came to a total of 4.3559 billion pesos.

Income in January of the year just past came to a total of 278.2 million pesos, followed by 272.5 million in February, 264.7 million in March, 320.9 million in April, and 317.9 million pesos in May.

The total collected in June came to 324.3 million, followed by 381 million in July, 398.5 million in August, 392.2 million in September, 474 million in October, 480.7 million in November, and 450.5 million pesos in December.

Exchange Surcharge

In 1991, the Customs Office received income from the exchange surcharge in the amount of 948.3 million pesos, representing 21.7 percent of the total amount collected.

In January, the sums collected from the exchange surcharge came to a total of 65.6 million pesos, followed by 60.4 million in February, 67.1 million in March, 55.8 million in April, 56.7 million in May, and 56.5 million pesos in June.

In July, the total came to 80.7 million pesos, followed by 95.8 million in August, 95.2 million in September, 103.9 million in October, 106.6 million in November, and 104 million pesos in December.

* Falconbridge Produces 64 Million Lbs of Nickel

92CA0099E Santo Domingo EL SIGLO in Spanish 16 Jan 92 (ECONOMIA SECTION) p 1-D

[Article by Jose Mercedes Feliz]

[Excerpt] The mining enterprise Falconbridge Dominicana produced approximately 64 million pounds of nickel last year, which was 10 percent less than the projected figure.

The executives of this private company had planned to produce about 70 million tons of nickel in the course of 1991.

Sources at Falconbridge said that production in 1991 was almost the same as that the preceding year, when 63 million tons were produced.

Meanwhile, exports came to a total of 62 million pounds. However, the plans also called for the export of 70 million pounds.

The reason for the failure to reach the planned production figure was that the executives of the foreign enterprises found themselves forced to reduce operations by 50 percent because of the decline in prices and international market demand.

On 7 October of last year, Falconbridge shut down one of its furnaces in order to cut its production by half. When this step was taken, the shutdown was expected to continue for three months. However, executives at the mining enterprise, who declined to be identified, stated yesterday that the furnace will remain inoperative at least until the end of February. [passage omitted]

Haiti

Parliament To Meet 12 Mar in National Assembly

FL1103164992 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 11 Mar 92

[Excerpts] The Haitian Parliament will meet tomorrow, 12 March in National Assembly to accept or to reject the Washington agreement that was signed on 23 February between various sectors concerned in the Haitian crisis. This is what resulted from the session held yesterday.

There were numerous discussions in this session. The Lower Chamber did not have many problems in accepting the principle of the ratification of the agreement in National Assembly. But at the Upper Chamber, the session was very animated between those who agreed and those who did not agree and who believed that only the executive presided over by lawyer Joseph Nerette can convoke the Parliament in National Assembly. [passage omitted]

A senatorial committee composed of Senators Julio Larosiliere, Rony Mondestin, and Eudrice Raymond is working on a document aimed at convoking the Parliament in National Assembly. This document is to be published today.

Further on Decree

FL1103223892 Port-au-Prince Radio Metropole in French 1700 GMT 11 Mar 92

[Text] Today, 11 March, the parliamentarians are busy working on preparation for tomorrow's vote.

A three-member senatorial committee is in charge of writing the decree for the ratification of the protocol of agreement. Senators Julio Larosiliere, Rony Mondestin, Eudrice Raymond will work in agreement with Deputies Evans Beaubrun, Lavaud Jean-Baptiste, Elie Plancher and Samuel Madistin.

The document is due for this afternoon.

Belizaire Comments on OAS Agreement Ratification

FL1103200392 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 11 Mar 92

[Interview with Senate President Dejean Belizaire by unidentified reporter; place and date not given—recorded]

[Excerpts] [Reporter] Senate President Dejean Belizaire states that he has not yet officially received the provisional government's communique announcing the formation of the interministerial committee. Belizaire adds that the Parliament has not been in touch with the provisional government since Nerette gave his speech and gives the assurance that they are working with the same spirit of open-mindedness and concerted action. He announced a meeting with the senators to prepare a calendar on ratification of the agreement. [passage omitted]

Do you think the senators favor a (?positive) ratification of the Washington agreement?

[Belizaire] Listen, I do not think that we can make conjectures at this time because we are approaching the moment of truth when Parliament must make a decision on the agreement. We think it is wiser to wait instead of making conjectures and hypotheses. So, let us wait and we will know exactly where the deputies and senators stand on the agreement signed in Washington.

[Reporter] A final question, Senator. We see that a kind of test of strength has begun between the executive and the Parliament over the question of the agreement. What will happen in the event that you ratify the agreement while the executive obstinately follows the path that it wants to take?

[Belizaire] We are not interested in any kind of test of strength. We are concerned with a solution to the crisis. I believe that since the crisis began, everyone can testify that we have always assumed our responsibilities with courage and a spirit of level-headedness and moderation. I think that with this same spirit of level-headedness and moderation, which our patriotism requires of us, we will continue our work so we can resolve the crisis.

[Reporter] Are you optimistic about a favorable end to the crisis?

[Belizaire] The country cannot be divided into two parts. It must remain united and we will do all we can so that the country stays united.

Additional Belizaire Statements

FL1103225592 Port-au-Prince Radio Metropole in French 1700 GMT 11 Mar 92

[Interview with Senate President Dejean Belizaire by reporter Joseph Guiller C. Delva; date and place not given—recorded, in Creole]

[Text] The Parliament's decision to vote tomorrow on the Washington agreement by the National Assembly is considered by Senate President Dejean Belizaire as an important step toward the conclusion of the crisis. The Senate president thinks that after ratification it will be necessary to negotiate with the provisional executive. Senator Belizaire would like an honorable way out for the executive. Let us listen to his statements:

[Begin recording] [Belizaire, in progress] ...in the conclusion of the Haitian crisis. However, I think that it is important that we still take into account the necessity to maintain harmony with the executive. It would be very difficult to move forward without considering the executive, which we are supposedly representing within the framework of the negotiations.

[Delva] You definitely think that this is a step to the conclusion of the crisis?

[Belizaire] I think that it is a step toward the conclusion of the crisis since we are going to the National Assembly so that Parliament can make a decision on the agreement. The Parliament's verdict will certainly come out. I think what will come out as their verdict—all the country's forces have an interest in the spirit of protecting this nation, in the spirit of developing harmony and unity in this nation—must be followed and respected.

[Delva] Senator Belizaire, how are you going to consider the executive?

[Belizaire] There is the ratification first, and then negotiations will continue, so there can be an honorable way out for all, so we maintain harmony. We are concerned that everything proceed harmoniously.

[Delva] What is the maximum deadline that is given to the National Assembly, since you are the president of the National Assembly ?

[Belizaire] We think that we will use tomorrow to make some preparations and we will proceed.

[Delva] Thank you.

PANPRA Urges Parliament To Ratify Agreement

FL1103205592 Port-au-Prince Radio Soleil Network in French 1200 GMT 11 Mar 92

[Text] The Nationalistic Progressive Revolutionary Party of Haiti [PANPRA] urges the Haitian Parliament to ratify the agreement protocol as soon as possible. PANPRA salutes the patriotic work that the Haitian parliamentarians have performed in a difficult national context in order to allow the country to enjoy a solution.

According to party official Arnold Antonin who has signed the note, the agreement constitutes a realistic compromise that takes into account the balance of power, which is a condition that can favor a climate of harmony in the country. PANPRA offers congratulations to all sectors that support the Haitian Parliament during the crisis.

MDEH Urges Support for Agreement Ratification

FL1103205392 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 11 Mar 92

[Excerpt] The secretary general of the Movement for the Economic Development of Haiti [MDEH] calls on the Haitian people to mobilize in solidarity with the Haitian Parliament so the agreement protocol can be ratified. Leonel Mompoint Mondestin hails the reaction of the Haitian Chamber of Commerce and Industry that said that they have had enough and that the crisis should reach an end. [passage omitted]

Socialist Democratic Bloc Supports Agreement

FL1103231592 Port-au-Prince Radio Metropole in French 1700 GMT 11 Mar 92

[Text] The Socialist Democratic Bloc in the Chamber of Deputies supports the protocol of agreement signed in Washington. In a bloc resolution, the Socialist Democratic proposes that the Chamber of Deputies, and the National Assembly Bureau in particular, make all arrangements for a session as soon as possible to ratify the protocol of agreement.

The session is scheduled for tomorrow, Thursday 12 March.

Army Takes Measures Against Drug Trafficking

FL1103213492 Port-au-Prince Radio Metropole in French 1145 GMT 11 Mar 92

[Text] The Armed Forces of Haiti [FADH] has taken measures to fight drug trafficking within the institution.

According to orders given to military officers, any FADH member who is caught in the act of illicit drug trafficking will be arrested in conformity with the law and a report will be made. The local unit commander where the offense takes place will immediately begin an investigation and the commander in chief will be advised within 24 hours following the arrest. The narcotics bureau will provide all technical assistance when cases arise. The defendant, on special orders from the commander in chief, will be expelled from the FADH and referred to the public authorities for prosecution.

Military personnel not on official assignment, but found to be trafficking in a given place, will be treated the same as previously indicated. Any FADH member who serves as a security guard or bodyguard to a drug dealer, or as a

courier for trafficking purposes, and/or who is present during transactions will be considered an accomplice. Any FADH personnel having direct or indirect authority who orders or approves the participation of a subordinate in illicit drug trafficking will also be considered an accomplice.

Unit commanders will take all the necessary measures for the full implementation of Article 5 paragraph 1 of the FADH General Rules dealing with the responsibility of the (?commander).

* Benefits to Business Supporters of PRI Cited

92CA0097A Mexico City ESTE PAIS in Spanish
Jan 92 pp 2-8

[Report by Jose Ignacio Rodriguez Reyna, economics reporter for EL FINANCIERO and contributor to various publications, including MIRA and PUNTO]

[Text] Slightly more than 10 extremely calculating Mexican businessmen who are accustomed to taking bold action and to thinking over each of their decisions made their bets...and won.

As members of the Commission for Financing and Patrimonial Strengthening of the PRI [Institutional Revolutionary Party], whose funds partly defrayed the expenses of Carlos Salinas de Gortari's election campaign, these businessmen are today the owners of various parastate enterprises that have been privatized or have received concessions to provide services that used to be reserved exclusively for the state.

Relying on the certain knowledge that politics is a good investment, these PRI businessmen have benefited from the "slimming down" of the state in areas that have lost their status as "priority" or "strategic" under the modernization agenda that the government is pushing.

Thus, they have acquired monopolies in telephone service, airlines, mining companies, canning plants, sugar mills, balanced-foodstuffs factories, and steel goods manufacturers, among many others.

They have also won concessions to provide cellular telephone service and to build and manage highways and international bridges, as well as permits to manufacture products of the secondary petrochemical industry.

Politics and Business Do Go Together

One of the biggest surprises in the campaign of the man who is now president of the Republic was the overt, public involvement of a prominent group of Mexican businessmen in financing PRI activities.

Although their involvement in government and ruling party affairs dates back several decades, it had always been underground or disguised so as not to arouse controversy about ties between businessmen and PRI.

Dispensing with their past caution, the 10 or so businessmen have not only confirmed that politics and business are indeed getting along at a time when the winds of economic neoliberalism are accompanying the government's pronouncements, but have even driven a stake through the heart of PRI, one of whose main ideological banners was "revolutionary nationalism."

The strict separation between politics and business, for which PRI waged several battles before Salinas de Gortari, has been tossed into the wastepaper basket today.

Even though its statutes still proclaim it to be a class based party consisting of the three sectors that have been its social foundation since it was created, the PRI that began to take shape in 1988 has in practice brought a fourth sector into its structure: business.

We need only point out that in the 60th Legislature the PRI delegation will include at least 35 businessmen, that there are local PRI financing committees in 24 states of the Republic, and that the cabinets of certain state governments, such as Nuevo Leon, include several businessmen.

These businessmen are a true vanguard of the new political class that will have mounting input in major national decisions, and most of the ones who placed firm bets on Salinas de Gortari have won...and won big. Others are still waiting.

Only one lost: Eduardo Legorreta Chauvet, who was obliged to become one of the most distinguished guests at Oriente Penitentiary as a result of his involvement in many stock transactions in which fraud and other irregularities were detected during the stock market crash of October 1987.

The PRI Financing Commission was created in 1984, and Mario Highland Gomez was its first chairman. Its original purpose was to see that civil servants paid their dues to the party. It was later chaired by the former governor of Chihuahua, Saul Gonzalez Herrera, who had no better luck achieving the same goal.

PRI's white elephant, the commission really came to life when in February 1988 it was handed over to a group of businessmen whose main function was to raise money to finance Carlos Salinas de Gortari's campaign.

Even though nothing more has been heard of its activities since the 1988 presidential election, the patrons of the national PRI movement have already reaped their harvest.

Four of them in particular have already seen their business acumen bear fruit: Carlos Slim Helu, Pablo and Israel Brener Brener, and Enrique Molina Sobrino.

They are regarded as members of the new generation of the wealthy in the country, and the sizable transactions through which they have constantly expanded their role in the economy bespeak their financial power and strength. Their emergence within the most select circle of businessmen has caught the attention of U.S. publications.

FORTUNE magazine published an article about the rapid rise of the Brener brothers among businessmen, while the weeklies U.S. NEWS AND WORLD REPORT and BUSINESS WEEK have written about Carlos Slim, whom they describe as a prime example of "the new business mind-set" in the Mexican business community and as one of "Salinas's friends."

Here is evidence of how important it was to help finance Salinas de Gortari's election campaign: The Brener brothers, Slim Helu, and Molina Sobrino have bought at least 50 enterprises that the government has put up for sale, that is to say, about 20 percent of those that have been sold off this term.

A Generous Patron, a Better Businessman

Born in Mexico and the son of a Lebanese immigrant, Carlos Slim Helu is by far this administration's favorite businessman. Overweight and disheveled, he has managed to build a veritable financial and industrial empire in a matter of a few years.

Those who know this patron of historians and artists say that he combines kindness and generosity with boldness and assertiveness when it comes to making deals.

The 49-year old Slim Helu has risen rapidly among the elite of the nation's businessmen. Whereas in 1990 the magazine EXPANSION placed him 54th on the list of "the prominent" in Mexico, today he no doubt needs to be reclassified. His rating is sky high.

The owner of the Inversora Bursatil stock brokerage house, from which he built his entire business empire, Slim Helu is married to Sumaya Domit Gemayel, the niece of Amin Gemayel, the president of Lebanon and leader of that nation's Christian militias. Management of the capital of the Lebanese community in Mexico is thought to be one of the sources of Slim Helu's wealth.

A collector of old libraries and rare books and an amateur archaeologist (he and writer/newsman Fernando Benitez have toured some of the best known sites of pre-Colombian Mexico), Slim Helu enjoys a close and cordial relationship with the current president of the Republic.

He was relatively little known to the public until he bought Telefonos de Mexico with its 18 affiliates on 13 August 1990 for 5.171 trillion pesos; this is considered "the privatization of the six-year term" after the sale of Banamex and Bancomer. He likes to keep a low profile, appearing at public events as seldom as possible, not granting interviews, and not making publicity for himself.

Slim is said to have a particular talent for managing companies that are in financial trouble. He buys them on the cheap and then straightens them out and turns them into thriving concerns. After the banks were nationalized, in 1983 he bought several of the banking enterprises that the state put up for sale. He thus began building what today has become the powerful Carso Group.

Considered one of the richest men in the country, Slim Helu soon reaped the fruits of having sat on the PRI Financing Commission. In January 1989 he acquired the state's interest in three mining firms: Mineral Real de los Angeles, Quimica Fluor, and Minera Lampazos. He shelled out 102 billion pesos for the 33-, 17-, and 32-percent share that the state owned in these firms.

The majority shareholder in the Frisco Group and the controller of some 20 companies that mine gold, cadmium, copper, zinc, fluorite, and molybdenum, among others, Slim Helu has gained the respect of the country's business circles in a relatively short time owing to the ease with which he has expanded his interests.

More recently, in June 1990, he bought the Tabacos Mexicanos plant in Nayarit for 14.5 billion pesos.

The majority shareholder in Industrias Nacobre, Slim acquired two other parastate enterprises through it at the outset of the privatization process: Manufacturera Mexicana de Partes de Auto and Indelta.

Slim Helu is currently the chairman of the board of Telefonos de Mexico and of the following companies: Sanborn's, Cigarrera la Tabacalera Mexicana, Inversora Bursatil, Seguros de Mexico, Loreto y Pena Pobre, Hulera El Centenario, and Artes Graficas Unidas.

Slim Helu also conducted a series of aggressive transactions that earned him chairmanships on two other boards: Bicicletas de Mexico and Hulera Euzkadi. In February 1989 he acquired 69 percent of the shares in Bicicletas de Mexico and in October of that year on the Stock Exchange he "bagged" a block of shares in the tire manufacturer, which enabled him to add one more firm to his asset sheet.

Last July, the U.S. magazine FORBES placed Slim Helu among the 200 richest men in Latin America and estimated his fortune at $1.7 billion, though "he still has ample prospects for growth."

A Weakness for Public Enterprises

The majority shareholders in the Xabre Group, Pablo and Israel Brener Brener spearhead the investors who gained control of the Compania Mexicana de Aviacion by offering $144 million, of which they provided 32.99 percent or $47.5 million.

Thus, in May 1989 the Brener brothers gained control of one of the largest airlines in Latin America. Shortly thereafter they finished making their move: In September of that year the Xabre Group took over the parastate enterprise Turborreactores, in Queretaro, whose main activity is the manufacture and repair of aircraft turbines.

Showing that they are fine financial strategists, the Lithuanian-born brothers decided to diversify their economic holdings by buying three sugar mills that used to belong to the state: El Potrero, San Miguelito, and El Modelo, all located in the state of Veracruz, for which they paid 172.5 billion, 34.5 billion, and 23 billion pesos respectively.

Their weakness for public enterprises did not stop there. In November 1990, Mexabre, a company in which the Brener brothers are involved along with Japanese investors, placed another set of four parastate enterprises on the stock market: Productos Pesqueros del Pacifico, Productos Pesqueros de Matancitas, Pesquera del Pacifico, and Productos Pesqueros de Topolobampo, for which the state was asking a little over 64 billion pesos.

The Brener brothers have not been interested just in parastate companies, however; they have recently conducted transactions that have given Mexico's business community something to talk about.

Two years ago the Xabre Group acquired the La Comercial stock brokerage firm from Eloy Vallina; it is now called Value. It bought the Visa group's shares in Fraccionadora and Hotelera del Pacifico, a group consisting of the Las Hadas Hotel, Club Las Hadas, and Club Maeva.

The Brener brothers also hold the majority of the shares in the Texel Group, formerly Pliana, in which Citicorp owns 19 percent of the capital. They are also shareholders in the brokerage firm Operadora de Bolsa and own Value.

Finally, they are minority shareholders in Industrias Nacobre, whose majority shareholders is the other "outstanding man" of the six-year period: Slim Helu.

Molina...Is Big Today

Membership in PRI and faith in the merits of the soft-drink industry have put Guerrero's Enrique Molina Sobrino, the owner of the Escorpion Industrial Consortium, on the side of the winning businessmen. So far Molina Sobrino has been involved in the purchase of two banks and has acquired three sugar mills and several other companies connected with the soft-drink industry, a branch in which he began to stand out even before joining the "little committee" within the ruling party's Financing Commission.

The sugar mills of which he is the new owner are: Atencingo and Calipan in Puebla, and Plan de San Luis in Ciudad Valles, San Luis Potosi. As far as we know, Molina promised to pay 47.5 billion pesos for the Atencingo sugar mill; although he had to fork over only 10 percent of the total amount, he will pay the rest from the proceeds of harvests over the next 10 years.

Molina Sobrino, who bottles Pepsi-Cola and other soft drinks in the Federal District and metropolitan area and has the largest such plant in the country, no longer has to struggle with the paperwork involved in acquiring parastate enterprises as "novices" do.

In all, the owner of the Escorpion Industrial Consortium has bought 12 enterprises from the state: the three sugar mills we mentioned, Distribuidora San Lorenzo, Embotelladora Garci-Crespo, Granjas Buen Agua, Inmobiliaria La Cantera, Transportes Garci-Crespo, Manantiales San Lorenzo, Refrescos y Alimentos Garci-Crespo, Impulsora de la Cuenca del Papaloapan, and Compania Azucarera La Concepcion.

Comprising five subgroups, the Escorpion Industrial Consortium brings together 50 different trade names in the soft-drink and automotive industries, real estate, insurance, and leasing.

Although in practice he belongs to the "minor leagues" in financial transactions, this PRI patron can boast that by the end of the first stage of the banking system privatization he is among the new owners of two banks, Banamex and Banpais, in which he is involved through the so-called controlling groups that acquired them.

Modern Economic Policy

A former chairman of the Mexican Council of Businessmen, the most powerful and influential business group in the political and economic spheres, Antonio Madero Bracho also belongs to the group of "modern patrons" that made Carlos Salinas de Gortari's election campaign possible.

Antonio Madero Bracho and his brother Enrique are the majority shareholder in the San Luis Group, which consists of mining companies and, formerly, the Hyatt hotel chain and Woolworth stores. In October 1988 the San Luis Group bought six enterprises that used to make up the state-run consortium Rassini: Rassini Group, Tornillos Rassini, Envases Rassini, Rassini, Aceros Rassini, and Recipientes Mexicanos.

Anuar Name Yapur, who is of Arab descent and owns several textile firms, overlooked age-old differences and entered into a partnership with, among others, the Brener brothers, who are Jewish, to purchase the Compania Mexicana de Aviacion, although their share is modest in comparison to other shareholders: just $2 million or 1.39 percent of the share capital.

In the telecommunications sector, as part of the government's deregulation strategy, the authorities decided to lease to private enterprise services that used to be reserved for the state. Thus, the government decided that the first, albeit indirect, beneficiary in cellular telephone service would be Carlos Peralta Quintero, the first-born son of the now legendary Alejo Peralta, who is known as "El Tigre." Iusacel, the company that Alejo Peralta owns, received authorization to provide this service in one of the areas into which the country was divided; so that he will not have too much foreign competition, he also has a temporary exclusive on the domestic market.

We should also note that Telecomunicaciones del Golfo, a company in which Carlos Peralta has a major share, has also received the concession for this same telephone service in the states bordering the Gulf of Mexico.

Peralta Quintero is also one of the new owners of Banpais, having been involved in its purchase as a member of the controlling group.

Alejo Peralta is the owner of Industrias Unidas S.A., IUSA, which manufactures goods for the electric power industry; he also owns the Tigres baseball team, which competes in the Mexican League.

Alejo Peralta, Jose Mendoza (Bufete Industrial), and Julio Gutierrez Trujillo (Condumex) are partners in the Premix Group, a firm that makes polyvinyl chloride (PCV), which is regarded as a product of the secondary

petrochemical industry; the group received permits from the authorities for its manufacture.

Another businessman who belongs to the ranks of PRI and, of course, sits on the Financing Commission is Antonio Gutierrez Prieto, the owner of Gutsa Construcciones, one of the most prosperous firms in the sector.

When the communications sector was opened up to private investment, Gutsa received the concession to build and run, for five years and four months, the Zaragoza-Ysleta international bridge, which will link Chihuahua and Texas. His son Juan Diego Gutierrez Cortina was involved in the purchase of Banamex.

Angel Borja Navarrete, the chairman of the Financing Commission, and his brother Gilberto are majority shareholders in Ingenieros Civiles Asociados, ICA, the country's largest construction firm and one of the strongest in Latin America. ICA is among the firms that have benefited the most from leases to build and run toll roads. In fact, it was a pioneer in this arrangement, under which the government no longer invests in road infrastructure.

ICA has thus received, among others, concessions to build the Guadalajara-Colima and Monterrey-Nuevo Leon highways, a stretch of the Chilpancingo-Acapulco highway, and the so-called Barrancas Plan.

But this is not all. ICA has added two former parastate companies to its long list of affiliates: Polimar and Compania de Manufacturas Metalicas Pesadas.

Awaiting Their Winnings

Finally, two businessmen stand out amid the group that placed its bets and is awaiting its winnings: Ernesto Rubio del Cueto and Fernando Senderos Mestre.

Rubio del Cueto was the chairman of the National Export Council and now chairs the Board of Directors of Quadrum, which is made up of Factoring Quadrum, Telecomunicaciones, and Carros de Ferrocarril de Durango. He recently teamed up with the Itel Corporation, a transnational headquartered in Chicago and one of the largest companies in the Americas in this branch.

The management of Ferrocarriles Nacionales announced recently that in view of the government's financial inability to meet the demand for railway service, the private sector will be allowed to do so. The business community is almost certain that Rubio del Cueto will be the first to benefit. For the time being and so that he can gain experience, he already owns Carros de Ferrocarril de Durango, for which he paid $250 million in October 1988.

An accomplished horseman and a teammate of President Carlos Salinas de Gortari when they competed at the Pan-American Games in 1971 in Cali, Colombia, Fernando Senderos Mestre is a member of the Board of Directors of Telefonos de Mexico, on which his father, Manuel Senderos Irigoyen, also sits.

The owners of a large shareholding in the former parastate enterprise, the Senderos were the most likely prospects to purchase the percentage of shares that the state transferred to the private sector.

Father and son are also involved in the DESC Group, Sociedad de Fomento Industrial [industrial promotion association], one of the country's most powerful industrial consortiums. They own shares in the brokerage house Inverlat, the Corporacion Industrial San Luis, and Industrias Resistol, among other companies.

Even though they are lucky enough to be close to President Salinas, the Senderos have bought only two parastate companies: Alimentos Balanceados de Mexico, for which they paid 13.5 billion pesos, and Forjamex, which cost them 6.4 billion.

Pablo Alvarez Trevino closes out the list of veteran businessmen who have learned to their satisfaction that they have to become involved in politics at the risk of being left out. A former president of the Chamber of the Construction Industry, Alvarez Trevino ordered workers at Constructora Atsa, which he owns, to paint and remodel schools during Carlos Salinas de Gortari's campaign as a way of drumming up support for the then PRI candidate.

Alvarez Trevino has now formed the company Promotora de Infraestructura, Servicios y Construccion, which will build a railway line that will haul containers in the Isthmus of Tehuantepec.

These are the moneyed men of the system. By their purchases ye shall know them.

[Box, p 8]

The Patronage of the Lobo Brothers

Although they do not belong to the group of patrons of the Institutional Revolutionary Party, another pair of businessmen has not only demonstrated the benefits of becoming involved in politics but has also enjoyed the power that politics provides. We are talking about the Lobo Morales brothers, Javier and Humberto. Javier was a PRI federal deputy from 1985 to 1988.

Hailing from the same region as President Salinas de Gortari, they own the Protexa Group, which consists of six strong companies and is perhaps one of Latin America's pacesetting consortiums in construction and offshore drilling.

Although it is not known whether they contributed cash to the 1988 campaign, they did accord Salinas two "courtesies": During his precampaign tours the then PRI candidate had several Protexa jets at his disposal.

Moreover, after the president took office, the Lobo Morales brothers furnished machinery, equipment, and manpower so that Agualeguas, Salinas's hometown, would have a landing strip on which the presidential plane could touch down when required.

Although they are perhaps not in the same league as the businessmen from Nuevo Leon, the Lobo Morales brothers can hold their own when it comes to toting up fortunes. They own the largest Pepsi bottling plant in the northern part of the country; in April 1988 they bought Texaco Mexicana; they are shareholders in the brokerage firms Arka and Abaco, and they own Pesquera Zapata, Industrial Pesquera Protexa, and Promotora Suluapan, among others.

In recent times they have been involved in the purchase of Banca Confia and have received the concession for cellular telephone service in several northern states. In addition, Protexa has some of the major contracts for public works of all kinds.

[Box, p 4]

Members of the Commission for Financing and Patrimonial Strengthening of the PRI

Pablo Alvarez Trevino, Antonio Ariza Canadilla, Angel Borja Navarrete, Pablo Brener Brener, Jose Carral Escalante, Juan Elek Klein, Augusto Elias Paullada, Jose Gonzalez Bailo, Roberto Gonzalez, Barrera, Ricardo Gonzalez Cornejo, Antonio Gutierrez Prieto, Julio Gutierrez Trujillo, Carlos Krestschmer Smith, Eduardo Legorreta Chauvet, Antonio Madero Bracho, Enrique Molina Sobrino, Anuar Name Yapur, Carlos Peralta Quintero, Enrique Rello Vega, Ernesto Rubio del Cueto, Isaac Saba Rafoul, Fernando Senderos Mestre, Carlos Slim Helu, Nicolas Zapata Cardenas, Particio Zapata Gomez.

[Box, p 6]

The Businessmen Who Have Bought State-Run Enterprises and/or Received Concessions

Carlos Slim Helu: Quimica Fluor, Minera Lampazos, Minera Real de Angeles, Telefonos de Mexico, Alguiladora de Casas, Anuncios en Directorios, Canalizaciones Mexicanas, Compania de Telefonos y Bienes Raices, Construcciones Telefonicas Mexicanas, Construcciones y Canalizaciones, Editorial Argos, Fuerza y Clima, Imprenta Nuevo Mundo, Impulsora Mexicana de Telecomunicaciones, Industrial Afiliada, Operadora Mercantil, Radio Movil Dipsa, Renta de Equipo, Sercotel, Servicios y Supervision, Teleconstructora, Telefonos de Noroeste, Tabacos Mexicanos (Nayarit plant), Manufacturera Mexicana de Partes de Autos, Indelta.

Enrique Molina Sobrino: Compania Azucarera La Concepcion, Ingenio Atencingo, Ingenio Capipan, Ingenio Plan de San Luis, Impulsora de la Cuenca del Papaloapan, Distribuidora San Lorenzo, Embotelladora Garci-Crespo, Transportes Garci-Crespo, Granjas Buen Agua, Inmobiliaria La Cantera, Manantiales San Lorenzo, Refrescos y Alimentos Garci-Crespo, Banco Nacional de Mexico, and Banpais.

Pablo and Israel Brener Brener: Ingenio El Potrero, Ingenio El Modelo, Ingenio San Miguelito, Compania Mexicana de Aviacion, Aeropuertos y Terrenos, Datatronic, Turborreactores, Productos Pesqueros de Sinaloa, Productos Pesqueros de Matancitas, Pesquera del Pacifico, and Productos Pesqueros de Topolobampo.

Fernando Senderos Mestre: Forjamex, Alimentos Balanceados de Mexico (Merida plant).

Antonio Madero Bracho: Tornillos Rassini, Rassini Group, Envases Rassini, Rassini, Recipientes Mexicanos, and Aceros Rassini.

Carlos Peralta Quintero: Banpais; concessions for Iusacel and Telecomunicaciones del Golfo to provide cellular-telephone service in each of the regions into which the country has been divided.

Anual Name Yapur: Mexicana de Aviacion, Turborreactores, Aeropuertos y Terrenos, and Datatronic.

Antonio Gutierrez Prieto: The concession to build and run for five years and four months the Zaragoza-Ysleta international bridge; his son Juan Diego Gutierrez Cortina was involved in the purchase of Banamex.

Angel Borja Navarrete: Polimar, Compania de Manufacturas Metalicas Pesadas. He has received the concession to build the Guadalajara-Colima and Monterrey-Nuevo Leon highways and a stretch of the Chilpancingo-Acapulco highway, as well as the so-called Barrancas Plan.

Antonio Ariza Canadilla: Was among the group of investors who acquired Banamex.

Ernesto Rubio del Cueto: Carros de Ferrocarril de Durango.

*** Strong Reservations on Ejido Amendments Found**

92CA0097B Mexico City ESTE PAIS in Spanish Jan 92 pp 34-35

[Text] In the wake of the president's proposal to amend Article 27 of the Constitution, ESTE PAIS commissioned the Center for Public Opinion Studies to sound out national opinion on the ejido, land redistribution, and the potential privatization of this form of land tenure. Below are the findings of our thrice a year poll.

The following question was posed to sound out the opinion of Mexicans on whether the ejidos ought to be sold to private individuals: "The Constitution of 1917 provided that an ejido could not be sold to private individuals. Do you think that this law has been beneficial or harmful?" Sixty-eight percent think that it has been beneficial, while 20 percent consider it harmful. The remaining 12 percent did not voice an opinion. In response to the assertion that "some people are of the opinion that today an ejido should be able to be sold to private parties, whereas others say it should not," 62 percent felt that it should not be sold, 33 percent that it should, and 5 percent did not express an opinion.

As for land redistribution, the poll asked people whether they regarded as beneficial or harmful the constitutional provision of 1917 establishing that the government must

hand over lands to peasant farmers who need them. Eighty-three percent said that it has been beneficial and 10 percent that it has been harmful, with the remaining 7 percent not voicing an opinion.

When people were asked for their opinion as to whether the government should keep on redistributing land among peasant farmers, 61 percent felt that it should continue land redistribution, while 33 percent think that it should stop. Six percent did not express an opinion.

As for the debate in Congress, people were asked whether the deputies should agree to the president's proposal to amend the Constitution as it concerns the ejido or should lend an ear to the peasant farmers even if this mean delaying a decision. Eighty-nine percent said that the peasant farmers should be heard, and 7 percent were of the opinion that the president's proposal should be accepted as soon as possible. Four percent had no opinion.

When asked whether the peasant farmers ought to remain in the countryside or head for the cities to seek work, 88 percent chose the first option. As to whether Mexico ought to grow the corn it consumes or buy it from another country, 87 percent were of the view that this crop ought to be grown on Mexican soil.

One significant finding is the high percentage of responses to each question and the low percentage of persons who did not have a clear-cut opinion.

[Box, p 35]

Methodology

Date of survey: November 1991. Sampling method: Random by groups. Size of sample: 1,526 interviews in 61 communities. Margin of error: plus or minus three percent. Type of interview: (personal) in-home. In charge of research: Miguel Basanez. In charge of survey: Jesus Orozco. Graphics design: Pablo Paras. Sponsor: ESTE PAIS.

Costa Rica

Import Tariffs Lowered on 2,000 Products

PA2502163892 San Jose Radio Reloj in Spanish 0100 GMT 25 Feb 92

[Text] In an effort to reduce inflation, the government has decided to lower the import tariffs of approximately 2,000 products, thereby substantially increasing imports. The decree signed by President Rafael Angel Calderon Fournier and Economy and Industry Minister Gonzalo Fajardo involves a total of 143 tariff categories.

Once the decree is published in the GAZETTE, the importation of products at lower tax rates will allow the commercial sector to offer a much broader range of products, which is expected to generate greater competition and reduce prices.

The tariff reduction decree covers an enormous range of food products; accessories; and raw materials for industry, the agro-industrial sector and general consumers. Included among the food products are beef, pork, codfish, condensed and evaporated milk, vegetables, flour, starch, corn starch, tomato concentrate, and many other products.

The tariff reduction will allow importation at lower prices. Instead of paying 40 percent or more, importers will only pay 20 percent in tariffs, thereby giving consumers access to a larger variety of products at lower prices.

President Calderon Fournier said that the tariff reductions on a large number of foods, agricultural, and industrial activities will substantially reduce costs and will help reduce inflation. The president said that the tariff reduction will also cover the importation of electric irons, microwave ovens, washers, electric batteries, pencils, and many other items.

Calderon said that the measure is the first planned reduction of tariffs on all products, which had been scheduled by the government for early April.

He said that it is obvious that by lowering prices, the majority of people will have greater access to many products, and this will be reflected in reduced inflation. The tariff reduction will go into effect, at the latest, in two weeks when the decree is published in the GAZETTE. The government will thus have fulfilled its goal of extending the benefits of macroeconomic policies to the majority.

President Calderon said the world is moving toward economic liberalization, and with its tariff reductions, Costa Rica is making an important step because it is reducing the import taxes of a large number of items.

Liberalization Process Continues

PA1103213292 San Jose Radio Reloj in Spanish 1730 GMT 11 Mar 92

[Report by William Cespedes]

[Text] A decree signed by President Rafael Angel Calderon Fournier and Gonzalo Fajardo, minister of economy, industry and commerce, reduced the taxes on 6,000 new products.

In this manner, the liberalization process to incorporate Costa Rica into the free trade market continues. Tax reductions on additional products will be announced over the next few months, each quarter, until the end of 1992, President Calderon said.

The resolution signed by the president authorized tax reductions on many products in addition to approximately 2,000 products announced some weeks ago.

President Calderon stressed the importance of the tax reduction program for Costa Rica, which will not only permit the incorporation of Costa Rican products into other Central American, Mexican, and U.S. markets, but will also encourage the process of industrial reactivation and reconversion in order to join in international free trade.

[Begin Calderon recording] This is another big tax reduction. Effective 1 April, with the decree I signed on 11 March with the minister of commerce and industries, taxes will be reduced on 6,000 products. Three months from now, we will announce another reduction on those 6,000 products. This process will continue until July 1993. There will be tax reductions each quarter, which means that a 3.33 percent tax reduction will be applied each quarter to products that previously paid 40 percent. Products that paid higher taxes will not [words indistinct]. This decree does not include textiles, clothing, and shoes, because according to the second structural adjustment plan and our plans to protect our textile, clothing, and shoe industries and prevent them from suffering a hard blow, we have postponed the tax reduction. In that manner, those industries can start preparing themselves so that the impact will not cause unemployment in those areas. Effective 1 April, taxes will be reduced on other 433 lists, which include 6,000 products.

We wanted to give you this good news because undoubtedly Costa Ricans will have more access to many products, and as taxes are gradually reduced, they will be even more accessible. At the same time, this will force us to improve our national products to compete in a free trade market.

As I have said before, this is the trend in the world today. Those who have accompanied me in some of my trips abroad have seen how Mexico, Colombia, Chile are preparing themselves to compete with developed countries, and to show that Latin America can compete. We Costa Ricans who throughout history have invested and continue to invest large sums in education undoubtedly can compete with others. [end recording]

El Salvador

FMLN Leaders Interviewed on Peace Agreements

PA1203041092 San Salvador TCS Television Network in Spanish 1300 GMT 9 Mar 92

[Interview with Facundo Guardado, a leader of the Farabundo Marti National Liberation Front, FMLN, by unidentified reporter, during the "Face to Face" program, at the TCS studios in San Salvador—live]

[Excerpts] [Reporter] We would like to begin the interview by discussing some of the topics we discussed last week with Deputy Presidency Minister Ernesto Altschul. In outlining the government stance, he said that the Farabundo Marti National Liberation Front [FMLN] is not in keeping with the agreements made with the government with regard to four major points. These points are: 1) the concentrating of FMLN personnel at 15 sites; 2) land takeovers; 3) FMLN political participation; and 4) the arms inventory. I would like to discuss these four points and others that will come up over the course of our conversation.

Let us begin with the gathering at 15 sites. The FMLN has said that it is facing logistical problems. It has also said that it has food supply problems, but we understand that that problem has been resolved somehow. We have been told that it would be getting aid, although no specific date was mentioned. Canada has offered $163,000 in aid for the FMLN fighters at these sites. Can you tell us what the FMLN stance is?

[Guardado] From the beginning in early February, the FMLN has told the United Nations, the EC, and the government of its concern about finding a solution to problems of health, water, housing, and food in our camps. The EC reacted promptly and approved an aid package that was to be channeled through Doctors Without Borders and the UNDP [UN Development Program]. We have clearly stated that Presidency Minister Oscar Santamaria is responsible for authorizing immediate action on behalf of the government. We have clearly told the EC and the United Nations that Santamaria is hampering the assistance, and this could lead to problems.

The problem could have been resolved early in February, but was not because of that irresponsible attitude. We have now tried other means to find a solution to the problem. Forces are gathering at the designated sites as far as the FMLN is concerned. The FMLN has been accused of not holding to the agreement, even though it is. The government, however, is not keeping to the agreement. You know what the agreement says—the security corps, National Guard, and Treasury Police are to be dissolved and their members transferred to the Army. But the Army has announced that the Treasury Police will become the military police and that the National Guard will become the border police. The agreement, however, clearly states there is going to be one single police force, the National Civilian Police [PNC]. Anything else would be a violation of the agreement and illegal.

President Alfredo Cristiani is not striving to provide the support necessary to create the new PNC. Many aspects of the agreement have not been upheld. There is a great deal of irresponsibility in [words indistinct].

[Reporter] Staying on the topic of the FMLN gathering at the 15 designated sites. When does the FMLN plan to have its people organized at those last 15 sites?

[Guardado] It will be completed within the next six days. [Passage omitted]

[Reporter] Over the past few weeks there has been growing interest in El Salvador over reports from certain sectors that the FMLN has recently instructed peasants to occupy lands that are not included in the agreements. I would like the FMLN's position with regard to this issue.

[Guardado] A piece of paper is no guarantee. In effect, efforts have been made by certain sectors to give the impression that the agreements are not being fulfilled and that land takeovers are widespread throughout the country. This is not true. The FMLN has thrown its full support behind the Copaz [National Commission for the Consolidation of Peace] land commission, and the commission must resolve the land situation in the war zones.

I must say that land in the war zones is governed by the agreements and not by the laws of the Land Bank, FINATA [National Financial Institution for Agricultural Lands], or the Agriculture and Livestock Ministry. The laws of these institutions are not applicable in the war zones. The law in these zones are the agreements signed in Chapultepec, and the special commission formed to deal with land affairs must make the decisions.

Furthermore, it is clear that land has been the main cause of the armed conflict in this country and, therefore, the land redistribution problem must be resolved. Solutions are possible and I believe there are solutions. Many land owners are interested in reaching an agreement, but the government is trying to instill fear in them by making them believe that their land will be expropriated. This is not true. An agreement can be reached. Foreign Minister Pacas Castro himself has confirmed that $60 million has been approved for the purchase of land. Why should we not use this money to give the peasants land?

The status of lands that are not in the war zones is different. In those areas the government has pledged to distribute state-owned lands and the surplus 245 hectares. Land has been occupied by decision of peasant organizations, but the FMLN demands that the agreement be fulfilled. The distribution of the surplus 245 hectares must be enforced, and so far the government has not taken a step in that direction. The peasant sector is worried about this issue, of course, and the FMLN stance has been categorical: the FMLN defends the

agreement, it supports the Copaz land commission, which must resolve this problem, and at this time it is telling the peasant movement as well as the landowners that together we can work to resolve this problem through the Copaz land commission. [passage omitted]

[Reporter] Returning to the issue of the Treasury Police and the National Guard, which has been discussed recently. What, expressly, does the agreement between the government and FMLN state with regard to these two security bodies?

[Guardado] The agreement expressly states that the National Guard and the Treasury Police will be eliminated and that their members will be transferred to the Army. If what the Armed Forces is doing is transferring these bodies as such to the Army, that violates the agreements. Furthermore, it was clearly agreed that in this country there will be one police force, the Civil National Police. Now the Army is telling us that it will turn the Treasury Police into a military police force and the National Guard into a border police force. This is illegal. It is a violation of the agreements, it is an attack on peace, and we will not allow it. The Salvadoran people must not allow such violations. The agreement must be fulfilled literally, in letter and in spirit, because militarism in El Salvador must end and democracy must allow civilian society to make decisions for (?the future).

[Reporter] With regard to public security, there have been many comments made, and many Salvadorans are worried because of the concentration of Army or government forces at the predetermined places. They are worried about the robberies, delinquency, and killings over the past few days. What do you think about this problem with regard to FMLN security?

[Guardado] We know there is a crime problem. This is not a new problem. Official data reported in 1979 indicates that 30 vehicles disappeared every day in San Salvador and that only seven turned up.

The intention is to exaggerate this problem to get Salvadorans to conclude that it is better that the National Guard and the Treasury Police continue in service.

Cristiani is not doing anything. What I mean is that, according to the agreement, the National Police are now under the president's authority and that the new PNC will be under the president's authority. It is the president of the Republic himself who must provide all the support so that the new PNC may begin its formation process.

As of now, the national government has not provided even a small local office where they can start working, much less the installations needed for the academy. The recruitment process should already be underway and the training should start on 1 May.

The government says that there is no money or resources for the new PNC. They want the people to arrive at the conclusion that, since there is no money or resources and there is crime, it is better for the existing police force, the Treasury Police and the National Guard, to continue as a security corps.

We all know that the security corps were the cause of Salvadoran people's insecurity for many years, and that is why the agreement clearly states that the three corps must disappear.

We believe that there is a crime problem and that it must be resolved. However, would the best way of solving it be going back to militarism? That should not be the way to resolve it. We believe that Copaz is the appropriate forum to discuss this affair and reach an agreement among the government, political forces, and social forces to confront this problem with preventive measures and not just repressive measures.

It is a Salvadoran problem and we should not call on the military, which has hurt this country so much, to solve it for us. The Salvadoran people must start assuming our responsibilities right now and, above all, we must demand that the creation of the new PNC is given full support.

[Reporter] About the PNC, Copaz is supposed to nominate candidates for director of the PNC and the Public Security Academy. Copaz has not yet presented those nominations. Could that be contributing to the delay in the creation of the PNC?

[Guardado] Copaz has already presented the nominations for director of the academy. The president must decide on that issue very soon. However, the problem is that there is a deliberate intention to delay the creation of the new PNC and not support it. This is very worrisome and it is a problem that must be resolved. The president, since he signed this agreement, should be the most interested, and should be on the front line proposing initiatives to resolve this problem, but this is not the case. Copaz must take a more active role in ensuring that this is fulfilled. [Passage omitted]

[Reporter] What, in the opinion of the FMLN, would happen if the agreement schedule continues to be delayed?

[Guardado] We have already formed a commission to follow up on the agreements, and we have already taken proposals to Copaz to advance with the schedule, so that progress can be thorough and effective and not just formal. With regard to the violation of the agreement concerning the dissolution of the security organizations, we have already sent letters to the UN secretary general and the Group of Friends, and we have stated our point of view to Copaz.

The Salvadoran people must know that the security forces agreement is being violated, that we will not allow this, and that they must not allow individuals who have done them so much harm to now become new instruments of repression against us.

[Reporter] In your previous answer you mentioned that the agreements have a deeper problem, that one sector of the

Army may be attempting to hinder them or at least minimize them. To which sector of the Army were you referring?

[Guardado] There are sectors within the Army that strongly opposed the agreements even before they were signed. There are individuals in the Army who should devote themselves to their jobs instead of creating problems. General Bustines should be on a military mission. Colonel Ochoa should devote his time to resolving power supply problems. Estaben should be involved in something else. These individuals are closely involved with sectors that are attempting to create problems and to destabilize the country. I am convinced that there are sectors within the Army that will abide by the agreements, but there are groups that are conspiring against them. The Salvadoran people must know this. We are not intimidated or frightened by this. We will ensure that the agreements are fulfilled, and we will isolate those sectors.

[Reporter] Going back to what you have mentioned, has the FMLN altogether discounted the possibility of trouble with compliance with the agreements, as a result of which the organization would again take up arms?

[Guardado] The FMLN still has an army. It is the war that stopped and there is a cease-fire that expires on 31 October. We are working in earnest to help establish the democratic process in the country so that problems can be resolved through concerted effort and negotiation; politically, not through confrontation. We are seriously committed to this. We are convinced that this is the best course for all Salvadorans and we are working on it. Arms were used because it was necessary, because the dictatorship closed all civilized avenues. We will support democracy, human rights, and the peace process. We are in favor of stability in this country. To maintain this stability however, it is necessary to recognize that all Salvadorans have rights, not just a small group with economic and political power. These rights must be recognized as belonging to each sector and respected.

This is the basis for understanding. We are all Salvadorans. We all have to live in this country. We must establish new forms of coexistence and understanding. We cannot return to confrontation, antagonism, and polarization. We must reach an understanding. This is what we propose with regard to the land, demilitarization, the forum for an economy, and concerted social efforts. The way to build a new country is through concerted effort and understanding, not through the kind of arrogance evidenced by a group in ANEP [National Association of Private Enterprise]. This leads nowhere and harms us all. This is why we seek understanding based on recognizing and respecting the rights of every Salvadoran. We want a satisfactory solution to the interests of landowners and workers. We are convinced that there can be a solution.

[Reporter] Another point mentioned by the government deals with the arms inventory that the FMLN has submitted. It has been said that the inventory is of old arms and that the number presented does not correspond to the number of FMLN members reported. What is the FMLN's stand?

[Guardado] We pledged to deliver an arms inventory to the United Nations. This we did and they verified it. Naturally, the government is trying to make it look as if we are cheating on the arms inventory, but we are not. We have complied. All of our arms are in our camps and reported, one by one, with the serial number of each, to the United Nations. They have the report. Something is clear, however. Everyone is aware that for every rifle in the FMLN's hands the government could have 1,000, 2,000, or 5,000, and that for every round of ammunition the government could have between 1 and 10 million rounds. This is how the war evolved. We won it with few resources, but with great determination to make changes in this country. This point has been fulfilled. We do not care what the government has to say because it is groundless.

[Passage omitted] [Reporter] I think it is worthwhile to discuss a final issue in this interview. It concerns the FMLN's political participation. At first the government said, through the deputy presidency minister, that for the FMLN to participate politically it must first legally become a political party. I would like you to discuss the phases in which the FMLN will incorporate itself into the country's political life.

[Guardado] The FMLN is and has been, first and foremost, a legitimate force. We are a legal force and we are legally participating in a number of commissions that are institutional in this country. Copaz is not illegal and the FMLN is working with it. The police and land commissions are institutional and we are participating in them as a representative political force. What does this mean? Even from the technical point of view we have not been legalized as a political party. But there is already an agreement—the New York agreement—and there is a law approved by the assembly legalizing the FMLN's political participation. It makes no sense to believe that the FMLN is illegal. We are going to work to legalize the FMLN as a political party. This has been approved in the New York Agreements.

[Reporter] It is also important for us to talk about the discussions of the past few days concerning a coalition with the Democratic Convergence [CD] and Christian Democratic Party [PDC], the left wing parties. I would like you to comment on this. Recently CD deputies were on this program. They said that perhaps the situation that the CD is experiencing is due to the various trends in our country, especially the five trends that comprise the FMLN. I would like you to explain the possibility of your forming a coalition with these parties.

[Guardado] We are trying to reach an agreement with all of the political and social forces in this country which are in favor of change; the fulfillment of the agreements; the construction of an economic, political, and social democracy; and peace based on a solid foundation of respect for human rights, social justice, and a dignified

life for the Salvadoran people. These ideas exclude no one. We are working with all of the sectors with which we can reach agreements on these issues.

The FMLN has ties with all political forces. With a view to the future we are convinced that elitist governments such as ARENA [Nationalist Republican Alliance] have no future. To succeed in the reconstruction, development, and democratization of this country, and to establish solid and stable peace based on social justice and human dignity, the participation of the majority of Salvadorans is required. One party alone cannot resolve all of the problems. The FMLN has pledged to work closely with all of the political and social sectors that favor this change, and especially to ensure that we will all participate in fulfilling each and every one of the agreements.

[Reporter] Have you discussed a possible coalition with the CD and PDC?

[Guardado] We have spoken with the CD and the PDC, but right now we are focusing primarily on efforts to resolve the problems we are facing. We cannot speak about the 1994 elections if the serious problems we have now are not resolved. The people need to resolve their job and land problems. There are a number of problems, such as health and education, that must be resolved. These issues can bring us together to form a political coalition in the future with all of the sectors with which we are working now. What we must do now is work together to fulfill the agreements.

[Reporter] I thank you for joining us this morning on our program.

[Guardado] Thank you.

Progress Detailed

PA1103231992 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 10 Mar 92

[Interview with Commander Gerson Martinez of the Farabundo Marti National Liberation Front by Radio Farabundo Marti reporter Adriana Hernandez, place and date not given—recorded]

[Text] [Hernandez] There is plenty of interest in learning about the situation in the country, particularly regarding progress in implementing the peace agreements. We will now talk with companero Commander Gerson Martinez, a member of the Political Committee of the Farabundo Marti National Liberation Front [FMLN]. What progress has been made in the implementation schedule for the peace agreements after these first 30 days?

[Martinez] I would like to refer to the progress of the peace process in El Salvador, after the first thirty days following the cease-fire in the country. El Salvador is a country trying to overcome one of its historical problems, which is authoritarian militarism. The country has suffered two major problems during the present century; two major illnesses. On the one hand, the authoritarian militarism and on the other, social injustice. We are now overcoming one of those major problems. We are overcoming dictatorship. What progress has been made? How is the agreement implementation schedule moving along after the first 30 days?

1. On the military issue, the cease-fire has been effective and complete.

2. The first stage of the separation of forces, generally speaking, was carried out in accordance with the agreements.

3. The whole incident.... [changes thought] The worst incident that occurred was that which involved military intelligence operations accomplished by air surveillance, precisely directed at selected guerrilla forces concentration areas.

4. We can say that the two sides have presented their respective military logistics inventories. The counterinsurgency agencies that are still operating, such as the Armed Forces Press Committee, have accused the FMLN of presenting an incomplete inventory. The FMLN has reaffirmed and tried to demonstrate the truthfulness of its report. The FMLN has also requested that the government issue a report on the materiel it has seized from the guerrillas during the last few years. ONUSAL [UN Observers for El Salvador] has not yet issued a judgment on this demand. This inventory must be presented. Where are these arsenals; these weapons?. This community needs peace, security, and trust.

5. We can report that the second phase of the concentration of the two forces at a lesser number of locations has begun. At this time, the National Army for Democracy [END] troops have not been able to move to their 15 positions, due to certain delays, a lack of cooperation by the government in preparing these places, and to the inadequate living conditions at the defined concentration sites. Nevertheless, the relocation of our troops has been rescheduled.

6. It is important to state that forced recruitments have in fact been suspended, as of 1 February. The government, however, has made no efforts to comply with the agreement to announce this suspension of forced recruitments.

This is generally the situation on the military issues.

On that which pertains to public security we are able to report the following:

1. The Deputy Ministry of Public Security has been dissolved. This office was under direct orders from the military command of the Army. This is an important step in the direction of democratization and toward demilitarizing the country, as public security has been subjected to the military command and to the war.

2. Continuing on the issue of public security, it should be reported that Ernesto Arbizu, the coordinator of the National Civilian Police [PNC], has assumed his post.

3. It must be said that on 5 March Copaz, the National Commission for the Consolidation of Peace, began the process of selecting the director of the PNC. There was a short delay, but it was due to operational problems. Also on 10 March Copaz began efforts to select a director for the Public Security National Academy.

4. Still on the issue of public security, the total disappearance of the National Guard and the Treasury police as public security forces has begun. The problem that has come up now is that the government intends to keep these two police forces by turning one into a military police force and the other into border police. This is a flagrant violation of the agreements, because the New York, Mexico, and Chapultepec accords say that the security forces will be disbanded and that their troops may be transferred to the Army and then they may be subjected to purgings and reduction. The agreements clearly and specifically state that there will be only one police force and that is the PNC. Thus, the government's intentions to turn one of them into a military police force is a very serious violation of the peace agreements.

Continuing with the issue of public security, the president has begun to form the state intelligence agency. The community hopes that the president will take control of the police files on political intelligence that the National Guard and the Treasury Police were formerly responsible for. This is still pending.

That is in regard to public security.

There are also several important matters in the political sphere:

1. The FMLN expresses its concern, given that the government has not assumed the responsibility of fostering a joint conciliation campaign that is so necessary for our nation.

2. The government is promoting an ad hoc commission with different characteristics and goals than those agreed upon. The goals of this commission are to evaluate the Armed Force's soldiers. However, it looks as if they are trying to change the agreement by allowing the Armed Forces to carry out its own evaluation of the soldiers. That was agreed upon. The ad hoc commission must evaluate each soldier.

3. The appointment of the new Supreme Electoral Board that replaces the former Central Election Board has already been undertaken and a Human Rights prosecutor has been appointed. This is a fact, and we hope that the human rights situation will improve in the nation.

4. Owing to political reasons, only a partial release operation of prisoners has been implemented. There are still 33 persons detained under false pretenses. The government must grant freedom to all political prisoners. This constitutes a setback to the agreements signed by the government.

On the socioeconomic front, a special commission to deal with the land issue has been organized. The land issue has become one of the most difficult to resolve. The land problem in El Salvador has a triple dimension. In the first place, the land problem in El Salvador has a political dimension because the agreements are politically oriented solutions. In the second place, the land problem has a technical-economic dimension. In the third place, it also has a very human moral-ethical dimension.

The following problems or difficulties have come up in the land issue:

1. The definition of the concept of the areas of conflict. This term remained vague in the Chapultepec Agreements because, in the final agreements, the government refused to allow a spelling out of the areas in conflict. Now, these areas in conflict must be defined.

2. The effective date is being delayed. In any agreement or treaty in the world, the date it enters into effect relates to the day or the date that the agreement is signed. Therefore, the FMLN argues that reference must be made to 16 January when the agreements were signed. The government, however, is attempting to back date the agreements to 25 September 1991. This can also be considered as an attempt to hamper the peace process.

In the agricultural sector, the FMLN is completing the inventory of the areas of conflict. This inventory will be presented on 9 March.

On the land issue, the FMLN considers that the original owners have a legitimate right to economic compensation for property that might have been granted to or are being farmed by other families. However, the FMLN also realizes that for the families currently farming the lands, having a piece of land is a matter of family survival. Therefore, the FMLN sympathizes with these farming families' positions.

Another problem that has arisen concerns the agreement to establish a fund for the purchase of lands to partially resolve the agricultural land problem in the nation. This is an agreement established between the government and the FMLN. The funds' main source of resources for the purchase of land basically comes from international donations. Nevertheless, the government is attempting to sell the lands or charge the peasant for the lands at speculative market prices. This is truly a mockery and an inhumane position by the government.

To continue with the socioeconomic issues, some problems have also come up with the reconstruction matter. The reconstruction of this nation is one of the most important goals. This nation has been subjected to a 12-year war; therefore, its reconstruction is very important.

[Hernandez] How is the nation's reconstruction pla- progressing?

[Martinez] The reconstruction problem is currently one of the most controversial issues in the nation. This is one of the problems that has been more widely debated. The FMLN has presented a reconstruction program, a reconstruction

project that includes the participation of the nation's sectors across the board. That is a concerted action project. It is a true national project and the only way to reconstruct this nation. Meanwhile, the government submitted quite an exclusive reconstruction project. A few days ago, the government was proclaiming that the state should not meddle in any economic issues. Now the government is arguing that it the state must be involved, and that the government should monopolize the whole reconstruction plan. This is very contradictory because they are presenting a very exclusive program. They have closed the doors to the national dialogue and consultation. The government has refused to listen to the social sectors. This has happened because the government's economic model—called a neoliberal model—is aimed at placing the price of economic adjustment on the workers. This is probably the main obstacle. A nation such as ours, so divided, with so much confrontation, needs a reconstruction program that results from a total consensus: a concerted effort. This is the only way for this country to get ahead under the current circumstances.

[Hernandez] In your opinion, Commander Martinez, what difficulties is this process up against?

[Martinez] The process is truly a process of achievements. The nation is starting to change. The agreements open the doors for the nation's democratization. But these agreements must be defended. They even have to be defended from the provocations of the nation's radical right. In the past few days, the nation's military and political radical right groups have been engaged in certain kinds of provocations. One of the last actions was the murder of the concierge of the Federation of Independent Unions. He was brutally murdered and the marks on him were similar to those found on the last victims who were murdered by the death squads. The white tape on the head of the victim is a sign of the death squads. This means that these men continue to be organized and have some power. But now they do not have the power to decide this nation's destiny. They are groups that are being left behind. We believe that despite the provocations and the difficulties, and despite the nation's radical right, which attempts to obstruct the process, this process is irreversible. They will not succeed in derailing the peace process. The FMLN and the majority of the social, political, and democratic forces of this nation are committed to this process. We are optimistic and believe that this process will go forward, no matter what.

Guatemala

URNG Issues Communique on UN Resolution

PA1103233392 Panama City ACAN in Spanish 1754 GMT 11 Mar 92

[Text] Guatemala City, 11 Mar (ACAN-EFE)—The Guatemalan guerrilla movement stated today that the United Nations has recognized the advances attained with regard to human rights. However, the rebels said that "the resolution is a strong denunciation and condemnation" and an admonition for the government to protect its citizens.

A communique issued by the Guatemalan National Revolutionary Unity (URNG) accuses President Jorge Serrano's government of "lacking seriousness" because, according to the rebels, it distorted the contents of the resolution recently issued in Geneva by the UN Human Rights Commission.

"One cannot block the sun with a finger. The people cannot be fooled because they experience the insecurity, intimidation, torture, forced disappearances, and unofficial executions every day," states the document.

Meanwhile, the government, through several high-ranking officials, insists on stating that the resolution is not a condemnation.

According to the URNG, the UN Human Rights Commission is aware of the serious situation in Guatemala and the resolution contains "signs of condemnation for the government and state security forces."

The UN Human Rights Commission asked Serrano's government to heed the recommendation by UN expert Christian Tomuschat to abolish the Civilian Self-Defense Patrols (PAC) and the Civil Protection System, paramilitary groups accused of violating basic human rights.

However, Defense Minister General Jose Domingo Garcia has reiterated that PAC, which consists of approximately 800,000 peasants, will not be dissolved as long as the armed conflict with the guerrillas persists.

The paramilitary groups were organized during the de facto regime (1982-82) of General Jose Efrain Rios Montt to defend the peasant communities from rebel attacks.

The URNG condemned the fact that while the Guatemalan case was discussed in Geneva "the people were suffering a new wave of repression."

For its part, government spokesman Gonzalo Asturias reaffirmed to the press today that the United Nations did not condemn Guatemala, but rather, exhorted President Serrano to intensify his efforts to stop violence and legal impunity in the country.

Asturias said "the government is satisfied with the resolution issued by the United Nations," because they decided to extend the advisory of UN expert Christian Tomuschat and because Guatemala was not included in point number 12, which lists the countries that violate human rights."

Honduras

Callejas Denies Defense Minister's Statement

PA1103185692 Tegucigalpa EL HERALDO in Spanish 11 Mar 92 p 39

[Article by Armando Villanueva]

[Excerpt] President Rafael Leonardo Callejas yesterday denied a statement made by Defense Minister Colonel Claudio Lainez Coello. Callejas explained that at no time has the possibility even been contemplated of forcefully evicting the Salvadoran guerrillas who have occupied regions along the Salvadoran border.

In response to a question, Callejas said: That is a question that could be misconstrued to mean the country is in a warlike situation, which is not so. In this regard, we have decided to have ONUSAL [UN Observers for El Salvador], through Honduran-Salvadoran Government relations, determine that those regions are waiting for a ruling from the International Court of Justice.

The president said that "to hint of actions of that sort could create a lot of uncertainty among the citizens at this time. It is not deemed convenient for Honduran society."

"At no time has the government even contemplated that possibility," he said.

Callejas stated that he has not received any response from the United Nations to his request that it send a mission to the border region with El Salvador to prevent violations of national territory.

He said, however, that "I do know that ONUSAL officials have arrived in the border region" with El Salvador. [passage omitted]

* Discua Elvir's Policies Provoke 'Confrontation'

92CA0107A San Pedro Sula TIEMPO in Spanish 19 Feb 92 p 15

[Text] Tegucigalpa—Five Armed Forces officers have been "purged" by Major General Luis Alonso Discua Elvir, who sent them as military attaches to various Latin American countries to "get rid" of members of the Eighth and Ninth Military Class in order to consolidate his power and retain his hold on the Armed Forces leadership.

Sources close to the military told TIEMPO that in recent days at a secret meeting of the top military brass, the head of the Armed Forces advocated "rotations" for the majority of the military attache positions, by sending colonels on active duty as attaches. This has increased unrest and dissension inside the Armed Forces.

Colonel Jose Luis Nunez Bennet, formerly commander of the 2nd Artillery Battalion based in Zambrano (Francisco Morazan Department), was sent to Argentina as military attache, and Colonel Jose Santos Ortez Pena, who was in charge of the CALE [Army Logistic Support Center], will be assigned to Mexico. They are the first on the list of "purged" officers.

These are the first two confirmed "changes" in the Armed Forces; both men are from the Eighth and Ninth Classes.

The others who will be sent into "military exile" reportedly include Air Force Colonel Alberto Urbina, an outstanding combat pilot, who is being assigned to El Salvador; Colonel Cesar Augusto Zelaya, who was in El Salvador, will be transferred to Chile. Colonel Guillermo Pinel Calix will remain in Guatemala.

All these colonels are from the Armed Forces Eighth and Ninth Classes. Based on their seniority, they should be at the forefront of the military leadership structure.

However, Discua Elvir has assigned these leadership posts to members of the 12th Class, who are only lieutenant colonels.

The officers are unhappy about the way in which Colonel Alvaro Antonio Romero was "kicked out" of the Defense Ministry by his own comrades in the Sixth Class, to which Discua Elvir himself belongs.

They also question the way in which promotions to brigadier general and major general "have gone to their own people," leaving Alvaro Romero, who has earned top ratings in the Sixth Class, outside.

TIEMPO was told that the military leadership which is making these rotations consists of Discua Elvir; the Chairman of the Joint Chiefs of Staff, Lazaro Melanio Avila Soleno; the commander of FUSEP [Public Security Force], Guillermo Paredes Hernandez; the commander of the Naval Force, Reynaldo Andino Flores; of the Air Force, Hector Castro Cabuz; of the Army, Jose de Jesus Banegas Medina; and Inspector General Oscar Filander Armijo.

With these changes, they are preparing the field for the reforms they plan to submit to the National Congress.

This military leadership group has allied itself with the 12th Class, bringing discord into the Armed Forces and heightening animosity between classes. This alliance is shown by the fact that lieutenant colonels now hold high positions in military units. Some of these high ranking young officers are Lieutenant Colonel Daniel Lopez Carballo, who heads the National Transit Directorate; Lieutenant Colonel Rodolfo Interiano Portillo, in charge of the Finance Ministry Police; Lieutenant Colonel Carlos Andino Benitez, head of the 11th Infantry Battalion; and Lieutenant Colonel Emanuel Flores Mejia, commander of the 10th Battalion.

One example of an officer with the rank of colonel who was "purged" and sent to an administrative job, without being allowed to command a military unit, is Francisco Bustillo Murcia, now manager of Hondutel [Hondural Telecommunications Enterprise]. He formerly commanded the 1st Artillery Battalion.

Other similar cases are Roberto Lazarus Lozano, chief of staff of the Public Security Force; Colonel Mario Hung Pacheco, Army Chief of Staff, who led the 101st Brigade, and Colonel Mario Amaya Amaya, now in charge of military food supplies. He is known as "Tiger Amaya" [tigre Amaya] or "The Cowboy" [El Tropero].

TIEMPO was told that these changes, brought about through maneuvers among the top military leadership, are designed to keep the present top military leadership in power. They have also fostered the elimination of the Command Headquarters and the reduction of the Cosuffaa [Senior Council of the Armed Forces].

Nonetheless, sources close to the Armed Forces said that the plan to reform the Constitution of the Republic and the Armed Forces Constitutive Law were not approved by the full Cosuffaa; instead, this was a unilateral decision made by the top military command.

They said they do not oppose an organizational restructuring of the Armed Forces, but they do oppose the way in which this reorganization has been taking place, since the only thing it leads to is keeping the present leaders at the top of the military organizational structure. They also fear that the Armed Forces may become politicized.

The military leadership is to send the bill to Congress before Holy Week so that the reforms can be approved by the next legislative session in January 1993, the month when the three-year term of the present top military commander, Discua Elvir, ends. This term was begun by Arnulfo Cantarero Lopez, who was overthrown after a barracks coup.

Unlike the case of Humberto Regalado Hernandez, Discua Elvir cannot be reelected to this post, since he has held it for more than a third of the normal term, and the Constitutive Law prohibits reelection in such a case. But his reelection would be possible under the reforms that he is backing.

Nicaragua

Shots Fired at Helicopters Carrying Officials

PA1203035892 Hamburg DPA in Spanish 0253 GMT 12 Mar 92

[Text] Managua, 11 Mar (DPA) A flight of helicopters, one of them carrying Roger Brown, British ambassador to Nicaragua and Antonio Lacayo, "strong man" of the Nicaraguan Government, was fired at from the ground while the helicopters were enroute to Managua from the northern part of the country.

The flight, consisting of three Soviet-made Mi-17 helicopters of the Nicaraguan Air Force, was attacked with AK automatic rifles while flying above the mountains of Rio Blanco and Mulukuku. The shots, however, hit only one of the helicopters, No. 333, carrying a group of local reporters.

Oscar Merlo, a reporter for EL NUEVO DIARIO, told DPA that the government group, which had visited several communities in the northern part of Nicaragua, included Jaime Icabalceta, minister for construction and transportation, and Health Minister Ernesto Salmeron.

The reporter said that, upon landing in Managua, the helicopters were inspected and a bullet hole was found in the tail section of one of them. His colleague, photographer Xavier Castro, showed a picture of an Air Force officer pointing to the bullet's point of impact.

The British ambassador, the ministers of Violeta Chamorro's government, other government officials, Lilian Ayalde of the International Agency for Development, and Walter Irvine of the office of the UN High Commissioner for Refugees in Managua, flew in the lead helicopter, a conventional executive Mi-17 model, Registration No. 334.

Health Minister Ernesto Salmeron; Rosario Montenegro, a spokesman for the Health Ministry; medical officials from a northern Nicaraguan province; and an EL NUEVO DIARIO news team consisting of Oscar Merlo and Xavier Castro, were in the second aircraft.

The occupants of the third helicopter, the one hit by the bullet, were Maria Lourdes Osorio, from the government television station; a team of cameramen; Ernesto Garcia, from Nicaraguan state radio; Xiomara Blandino, from the Directorate of Information and Press of the Presidency; and Presidency employees.

Thus far, the Air Force has issued no official report on today's strafing of the aircraft, but it is believed that the press office of the Sandinist People's Army will issue a report on the attack within the next few hours because immediately after being informed of the incident Air Force authorities initiated an investigation.

During the days of the Sandinist government, Soviet Mi-17's were shot down by rebels from the disbanded Nicaraguan Resistance. According to unofficial information, the Air Force lost more than five Soviet-built aircraft during that period.

In May 1990, two Soviet-made helicopters crashed when one of them was taking off in San Pedro de Lovago, in central Nicaragua, and several journalists covering a ceremony related to the beginning of the demobilization of the Nicaraguan Resistance were injured.

Developments in Ocotal Detailed, Assessed

'Social Explosion' Warned

PA1103193192 Managua BARRICADA in Spanish 10 Mar 92 pp 1, 8

[Text] Former President Daniel Ortega Saavedra has pointed out that what is happening in Ocotal "is the first serious expression of a social explosion," which will spread to the rest of the country unless it is solved soon.

A government commission led by Deputy Government Minister Alfredo Mendieta is scheduled to arrive in Ocotal on 10 March. The commission members will meet at the municipal mayor's office with the leaders of the Prudencio Serrano Northern Front and the farmers who are former members of the Nicaraguan Resistance [RN].

Everyone in the country is exposed to the social explosion, Ortega said, adding he hopes the government negotiating commission is empowered to carry out actions for a prompt solution to the conflict.

The recompas and the recontras—whom the people are starting to call the mixed bunch—have spread their activities to Jalapa, San Juan de Rio Coco, Jicaro, and Murra, and threaten to occupy more towns.

The secretary general of the Sandinist National Liberation Front urged the government to make "deep modifications to its economic policy." He specifically demanded a special policy for the agricultural sector that will include changes in the debts owed by the cotton and coffee growers.

The Municipal Council of Nueva Segovia sent a letter to the president of the Republic demanding the appointment of a high level commission empowered to make decisions that will solve the problems.

Another letter sent by Ocotal Mayor Arnulfo Alguera Maradiaga asked Santiago Murray, representatives of the International Commission of Support and Verification, to take responsibility for transferring the rearmed people from Ocotal to an assigned settlement site and feeding these persons.

The rearmed people, who are very disciplined, have been regrouped in the Hermanos Zamora neighborhood, behind the Sandino neighborhood and outside Macuelizo and Las Manos. Only the members of the general staff move about the city.

Former President Ortega said the social explosion at Ocotal "is being voiced in an orderly fashion," because "Thank the Lord" it is led by demobilized members of the Sandinist People's Army, who are very organized people.

He pointed out that under other circumstances, 2,000 armed men would be capable of toppling the government, considering Nicaragua's severe economic crisis. This shows, he noted, the "great maturity and responsibility" of those who lead the movement as well as those who are the followers.

The rebels reportedly left the designated sites on the following day, because no government official had provided them with food.

Because the government has not done anything about this issue, more people have joined the Northern Front. On 9 March, "Memin," the chief of the rearmed faction, had to go to Jalapa to stop some 300 rearmed persons from that area, as well as from Murra and Jicaro, from going to Ocotal to support the demands.

In San Juan del Rio Coco, groups of recontras blocked the entrances and exits of that town and threatened to move to Ocotal if the government did not solve their demands as soon as possible.

Likewise, some 100 farmers from Jalapa peacefully and temporarily took over the offices of the Nicaraguan Telecommunications and Postal Services Institute. They are still occupying the city mayor's office, whence they are exerting pressure on the government to negotiate.

Meanwhile, some 2,000 producers of Nueva Segovia issued a pronouncement in solidarity with the rebels. The residents of the Ocotal neighborhoods continue to be organized as a community and to provide the food.

Commander Ortega said there are approximately 1,500 armed men in Ocotal, and about 300 more in the outskirts, added to the other pro-Sandinist forces and the demobilized RN, this brings the total number of rebels to approximately 2,000.

"Everyone in the country is exposed to the situation," the Sandinist leader said, pointing out that a social explosion can occur where there is unemployment, recession and a reduction in productive activities.

Talks Conclude

PA1103225892 Managua Radio Ya in Spanish 1100 GMT 11 Mar 92

[Report by Francisco Machado from Ocotal]

[Text] The government delegation has concluded its talks in Ocotal with the leaders of the Prudencio Serrano Northern Front. They have reached partial agreements to solve the conflict in Nueva Segovia Department.

Late at night on 10 March, a disarmament agreement was signed that will go into effect on 11 March. The rebels have been given a 72-hour deadline to move to a site near Ocotal and lay down their weapons. As for the social demands of the rebels, the individual farmers and the farmers' cooperatives in Nueva Segovia who have land must register their deeds as of 11 March in the Public Registrar. In this manner, they will be eligible for credit for the 1992-93 harvest.

A commission will be visiting the respective municipalities to verify who the producers are, and who is occupying land that has not been legalized by the government. The commission members will deliver an Agrarian Reform deed so these people will be able to register their property. In addition, a commission will be working in the various municipalities to determine their needs for land and housing. Within 60 days from 11 March, the government will deliver construction material for 60 housing units.

Another important achievement is that Totogalpa Municipality has been declared in a state of emergency. The government has promised to send, as of the signing of the agreement, sufficient food for the families who have lost

their crops because of the drought. Other agreements were signed calling for the repair of roads to various towns, such as Totogalpa, Jalapa, Murra, and Jicaro.

These have been the salient points of the agreements signed on 10 March by a government delegation led by Government Deputy Minister Alfredo Mendieta and the rebels of the Prudencio Serrano Northern Front.

Panama

Cooperation Agreements Signed With Colombia

PA1203030792 Panama City Circuito RPC Television in Spanish 2330 GMT 11 Mar 92

[Text] Panamanian President Guillermo Endara and Colombian President Cesar Gaviria today signed a joint communique whereby the two governments pledge to reinforce commercial ties and support each other on electrical energy and technical cooperation. Later, Gaviria held a press conference, underlining the strategies necessary to control drug trafficking.

[Begin recording] [Reporter] The joint communique emphasized a joint strategy to combat drug trafficking. Would you please expand on this, particularly with regard to surveillance at the common border?

[Gaviria] Cooperation is important in several aspects. First, we share a common border and a number of problems related to drug trafficking. We are forced to watch this border much more closely. We lack the necessary equipment, a subject on which I would like to comment later. Second, we need a judicial cooperation agreement. We are barely in the exploratory stage. However, as we have done with a number of other countries, Colombia hopes to sign a judicial cooperation agreement with Panama. We are in a preliminary stage, but we hope that in a few weeks the two countries will be able to sign this cooperation agreement so that the administration of justice of the two countries can take advantage of any intelligence reports and evidence on drug traffickers that exists in the two countries. In addition, I talked with President Endara about the need to revive the idea of building a highway that would link the two countries and open up Darien Province. We also talked about having the U.S. Government make good on its word to finance two-thirds of this work. [end recording]

Gaviria Speaks at Trade Fair

PA1203034892 Panama City Circuito RPC Radio in Spanish 2052 GMT 11 Mar 92

[Speech by Colombian President Cesar Gaviria at the dedication ceremony of the '92 Expocomer, Trade Exhibit, in the Atlapa Convention Center in Panama City—live]

[Text] Mr. and Mrs. Guillermo Endara Galimany; Dr. Alfredo Maduro, president of Expocomer [Trade Exhibit]; Messrs. Vice Presidents Ricardo Arias and Guillermo Ford; Messrs. State Ministers; heads of diplomatic missions accredited to Panama; Mr. President of the Chamber of Commerce and Industries; Your Excellency Auxiliary Bishop of Panama; former presidents of the Chamber of Commerce; ministers of Colombia; members of the retinue; special guests; ladies and gentlemen:

I want to thank President Endara and the organizers of this event for inviting me to the dedication ceremony of the 10th International Trade Fair of Panama. New business transactions and important production initiatives will be made at this trade fair, where many buyers and sellers from all over the world will be meeting.

I congratulate all those who worked on the difficult chore of preparing the fair. I also congratulate Alfredo Maduro, president of the organizing commission, and the Panamanian Government for the success that has been achieved. The atmosphere here is optimistic; it favors the search for new opportunities to create wealth and generate well-being.

Here, in the midst of goods, businessmen, crates, and fresh paint, we are excited and we sense progress.

I do not have to remind you, businessmen and exporters, how beneficial trade is. The benefits that open economies can generate are always obvious. It is evident that free and broad trade produces profits. These benefits go not only to audacious investors and to businessmen who conquer the international market: The benefits of open trade, international relations, and free commerce reach the common people, those who can finally buy better quality goods at lower prices, the unemployed who find jobs at export companies, and the potential businessmen who had never before been able to carry out their plans because restrictions imposed by national borders were not broad enough to suit them. Internationalization means modernization, dynamism, the expansion of productive horizons, and new opportunities of well-being for the population. Those who fear an opening are afraid because an opening would threaten their traditional privileges or because they refuse to accept the challenges and the efforts that preparing for the eventual universalization of the world's economy entails.

Economic freedom, important market forces, private enterprise, and the reduction of the size of the state are factors that have not only radically changed our way of thinking about the economy, but have also imposed themselves throughout the world. Whoever closes his eyes to ignore the trend to open the economy, whoever turns his back on change, and whoever clings stubbornly to forgotten ideas, will be stuck forever in the past.

This trade fair demonstrates that the entire region increasingly welcomes the opening, modernization, and internationalization of the economy.

Now that a free market has been reborn and the private enterprise sector is reemerging, businessmen will become the main builders of the future. This era brings a grand

historic opportunity. Businessmen are to play an irreplaceable role if there is to be economic progress. The qualities of businessmen are irreplaceable: audacity, a vision of the future, the readiness to assume risks to secure progress, and the ability to find newer and greater opportunities. Allow me, businessmen, to pay homage to you for your continuous contributions to the well-being of society, especially in the case of Panama, where businessmen have struggled shoulder to shoulder with the people to forge the difficult path to democracy and liberty.

Now that we are in the era of private initiative, our businessmen should carry out their own revolution and revolt against official tutelage and take advantage, with the intrepidity that is characteristic of them, of the huge opportunities the new era presents. This is the time to choose between the narrow spaces that a closed economy offers, horizons that do not go beyond our borders, and the possibility of conquering the world.

Colombia is present in this fair with its products and businessmen. We wanted to do more than that and this is why the president of Colombia and part of the Colombian Government team is here. We want to express our desire to strengthen economic relations between the two countries. Most of all we want to offer our most firm support to the democratic reconstruction of Panama. Panama is not alone. It can count on its neighbor and sister to the south. [applause]

It is time for our two countries to normalize their relations and it is time to reopen the doors of the Latin American community to Panama's democracy. This people and this country cannot continue paying for the sins committed by those who were their merciless executioners. [applause]

Colombia is hereby offering to contribute to the much desired reencounter with the region, insofar as the Panamanian Government thinks it suitable. We want Panama to be present again in the Group of Rio. Panama is also part of Latin America. We cannot leave Panama or any democracy of the region stranded. Democracy is fragile and it is threatened by poverty and by the ghost of authoritarianism, which refuses to disappear. It is also threatened by the neglect of those who in the past fueled the fire. As conflicts are resolved and confrontations in Central America come to an end, the region finds itself in a paradoxical situation. Those nations that committed themselves in the past to preventing both sides of conflicts from reaching victory, now slight the future of the Central American people when democracy is the sole winner.

Foreign resources were never lacking to fuel war passions, but now that the rifles have been silenced and the ammunition gathers dust in shelves, international aid to promote democracy and alleviate poverty in Central America is evasive and conditioned. [applause]

The people who paid for democracy with their blood, and who fought because they thought they would benefit from international solidarity, have now been practically abandoned to their fate. There is the pain of Panama, which has not been able to overcome the wounds left behind by the dictatorship; the desperate situation of thousands of Nicaraguans who have not been able to recover from their war tribulations; and the uncertainty of thousands of Salvadorans who do not know what peace has in store for them. All these cases are examples of the notorious ability of the international community to forget. It is as if the big ones care only for victory, while they disregard the suffering of those who fought for liberty. [applause]

Colombia knows that the stability and prosperity of the entire region depends on the vitality of the democratization and reconciliation process of Central America. Because of solidarity and commitments, we are not going to ignore the needs of the sisterly countries of Central America and the Caribbean. This is why our country has initiated an offensive to offer support programs, within the scope of our possibilities and limitations.

President Endara, we want to contribute to your country in the energy field, in technological and scientific matters, in foreign finance matters, and in trade. Colombia is preparing an important package of measures involving a trade opening to the region. Together with the Latin American Energy Organization we are designing the basis for a technological cooperation program for Central America in the energy field.

Colombian institutions, such as CENA [expansion unknown], Colombian Coal Incorporated, Colombian Petroleum Enterprise, the Colombian Agricultural-Livestock Institute, and the Colombian Public University, are prepared to contribute in this endeavor to the extent that Panamanian authorities find agreeable. We view these initiatives as something more than just a contribution to the economic progress of our neighbors. We know very well that democracy, if left without international support and solidarity, can be an easy prey of the enemies of liberty.

President Endara, organizers, businessmen, friends of Panama: This 10th International Trade Fair is evidence of the faith in the future of Panama's democracy; it is testimony that we are moving toward more open trade relations, a more interrelated world, and a more dynamic economy. It is also a homage to the tenacity of businessmen who, thanks to their audacity, are always able to find, even in the most adverse circumstances, the road to prosperity.

This event is also a real step toward regional integration.

This is why Colombia wanted to be present. Thank you. [applause]

Argentina

Details of UN Peacekeeping Unit Outlined

PY1203011092 Buenos Aires BUENOS AIRES HERALD in English 11 Mar 92 p 11

[Text] (DYN-NA)—The Argentine force which will comprise part of the United Nations peacekeeping force in former Yugoslavia will have "few possibilities of seeing action" since their basic function will be "to monitor the ceasefire, patrol, sweep mines, mediate the exchange of prisoners, look for missing persons and control refugees," said Army Chief-of-Staff Martin Balza.

Speaking alongside various Army generals at a press conference offered yesterday in the Libertador building in this Capital, Balza asserted that sending a battalion of 865 men to Yugoslavia "is the most important task we face in times of peace."

General Carlos Schilling, the second-in-command of Army ground forces Intelligence, in turn, said one of the consequences of the end of the East-West conflict "is the appearance of this type of regional conflict with its origin in racial, political, ethnic and religious problems, among others."

Schilling explained that the region where the Argentine contingent will operate, the Bosnian Republic, is 30 percent Serb, 25 percent Croat and 45 percent Bosnian.

Balza interjected that the Argentine members of the peace mission will be deployed in former Yugoslavia sometime around April 15.

Estimating costs for the first two months of operation at five million dollars, Balza added that the current situation in Yugoslavia constitutes "a conflict in evolution, with an uncertain conclusion."

The conditions in which the soldiers will operate are of "controlled confrontational risk," said the Army Intelligence commander, basing his statements on correlating UN reports.

The officers and non-commissioned officers will be expected to control and avoid all confrontations between the two warring factions in the Bosnian Republic—where the issue of independence remains undefined—in a conflict zone where less than 100,000 people live.

The 865 officers and non-commissioned officers placed under the charge of Colonel Hilario Lagos consist of 17 senior officers, 117 lower-ranking officers, 334 high-ranking non-commissioned officers and 296 conscripts [numbers as published]. The troops will be grouped into six infantry companies, one commando and another service platoon.

Army operations commander Hector Arias announced that the transfer of troops to Bosnia will be carried out in "five trips" with the use of three planes—two Boeing 707s and one Hercules—of the Air Force.

Regarding equipment, the force in Bosnia will employ 105 vehicles (50 jeeps, 25 trucks, 15 tanks and 15 transport vehicles), 191 communication systems, 400 FAL rifles, 60 FAP [Brazilian heavy automatic rifle], 16 MAG machine-guns and 500 Browning pistols.

According to Arias, the 20-millimetre guns carried on the 15 tanks "will be used only for defence, in strict accordance with the UN peace-keeping force regulations."

Menem To Demonopolize Edcadassa Warehouses

PY1203010092 Buenos Aires BUENOS AIRES HERALD in English 11 Mar 92 pp 1, 11

[Text] (NA-DYN)—Carlos Menem decided yesterday morning to demonopolize the warehouses at Ezeiza International Airport that have been at the centre of a heated dispute between two of his top cabinet members, Economy Minister Domingo Cavallo and Defence Minister Erman Gonzalez, reported government sources.

The President apparently reached his decision yesterday morning and instructed Presidential Chief-of-Staff Eduardo Bauza to inform Cavallo and Gonzalez of the plan. The ministers, along with the Transportation Secretariat, will oversee the project.

Cavallo and Gonzalez yesterday made amends after nearly coming to verbal blows last week over whether the government should end a 20-year monopoly for Ezeiza's warehouses and ramp services granted by the administration of former President Raul Alfonsin to Edcadassa SA [South Atlantic Air Cargo Enterprise, Inc.] in return for investments in the facilities. Cavallo had been advocating an end to the monopoly while Gonzalez reportedly saw some benefits in the current system and was dragging his feet on deregulation. The Defence Ministry, through the Air Force, owns 55 percent of the company, which is accused of introducing hefty fee hikes.

As part of the dismantling of Edcadassa's monopoly, Transportation Secretary Saul Bouer told reporters that the Air Force would put its block of shares in the company up for sale. Bouer also said that his ministry, not the Defence Ministry, should be in charge of the nation's airports because the former "is specialized in directing this type of operations."

Even before the President's decision to end Edcadassa's monopoly at the country's largest airport was made known, peace appeared to be breaking out between the squabbling ministers.

Gonzalez emerged from a meeting with Cavallo and Bauza yesterday morning that he characterized as a "harmonization of positions not arbitration," to tell the media that "we have reached perfect agreement." Gonzalez denied that the row had caused him to consider quitting his post. But he said he was spurred to "clarify" his objectives, which included stating his support for the performance of Edcadassa, harshly criticized by the economy minister. Cavallo, he said, had admitted

that the publication of a letter advocating the ending of Edcadassa's monopoly was "an improper leak," but added that they had overcome that dispute.

Gonzalez also denied in his statements to reporters that US Ambassador Terence Todman had pressured the government to open up Ezeiza's warehouses and services to other companies, although he said he did not know what Todman had discussed during his meetings with Menem on Friday [6 March] and Cavallo on Monday [9 March]. Sources said that the ambassador had asked Cavallo to give consideration to proposals of US concerns, such as Federal Express, to take over part of the operations currently controlled by Edcadassa.

Although Gonzalez shared his opinions with the media after the "peace talks" at Government House, his colleague Cavallo preferred to slip out a side door without comment.

Gonzalez, meanwhile, summed up the affair by reminding his audience that "before everything we want to stress that we are two ministers who are continuing in the pursuit of objectives set forth by the President of this nation."

Bolivia

MIR Faction Proposes Eid Franco for Presidency

PY1103204992 La Paz Radio Fides Network in Spanish 1100 GMT 11 Mar 92

[Report by Edwin Mallon Avalos from Cochabamba]

[Text] The situation of the Patriotic Accord in Cochabamba is heating up. The youth faction of the Movement of the Revolutionary Left [MIR], who are always looking for trouble, dared to ignore General Hugo Banzer Suarez' presidential candidacy for 1993 and on 10 March proposed Oscar Eid Franco.

Edgar Sandoval, the main MIR leader in charge of the union sector, referred to the issue as follows:

[Begin recording] There is widespread agreement among MIR members on this point. The nomination or endorsement of Oscar Eid Franco as the presidential candidate for 1993 instead of Banzer is not being considered. This matter has been decided at a different level and does not even merit being considered at a formal meeting because it is the opinion of only these people. [end recording]

Having been told of the decision, the MIR members who are part of the Cochabamba administration said that the decision was reached by a very small group of members who are frustrated because they could not find jobs. These people disagree with the MIR leadership, they added.

Nevertheless, the disagreement has created unrest. It has been suggested that the party will try to expel these bad party members, who are staining its image in Cochabamba while other MIR members are working nationwide to elect Banzer as president in 1993.

The problem has, however, been created. It shows that splits within the MIR will continue unless definitively stern measures are adopted to prevent dissatisfaction from continuing to reign within this young party, which has been in the news in Cochabamba for a variety of reasons.

Zamora Asked Not To Replace MIR Ministers

PY1103181792 La Paz Radio Fides Network in Spanish 1100 GMT 11 Mar 92

[Report by Nicolas Sanabria Garron]

[Text] Some cabinet ministers who have recently been walking a tightrope are relieved by the decision of the MIR-NM [Movement of the Revolutionary Left-New Majority] national executive board to ask President Jaime Paz Zamora not to remove any MIR ministers from their posts during the next cabinet reshuffle. [MIR President] Oscar Eid Franco said:

[Begin recording] We wish to inform the president of the Republic that the MIR is not proposing the replacement of any of the ministers who represent the MIR in the cabinet during the next reshuffle. We believe this is a very important suggestion because, from the constitutional point of view, the president has the power to keep or to replace his ministers and to decide when to do it. [end recording]

Brazil

* Informatics Firms Adjust to Market Reserve End

92SM0293B Sao Paulo VEJA in Portuguese 12 Feb 92 p 64

[Text] Brazil's computer companies are going through a sensitive period. In addition to the recession which is affecting the country and inhibiting their sales, they must also find a way to deal with the end of the market reserve—the umbrella that has protected them from international competition—which should be taken away in October. Many companies have already recognized that they cannot face the clash of competition alone and have begun to take action. Bradesco, the largest private bank in the country, put up for sale the majority of the shares of Scopus, a manufacturer of microcomputers, in which it had already invested $13 million. The bank will give up 66 percent of the company and the buyers should be entrepreneur Roberto Marinho, of the Organizacoes Globo, and NEC, his Japanese associate.

It is being said in the market that Bradesco wants to pull out of the computer business and its next step could be the sale of Digilab, which oversees all the bank's investments in the sector. The impression is that if companies want to remain in the market after the foreign microcomputers arrive in the country next October, they have no time to lose. Last week, the Machline group decided to eliminate SID, the holding company that controls its computer firms. Each of the four firms that constitute

the holding company will be autonomous and independent units. This way, the group hopes they will have greater flexibility.

SID president Antonio Carlos do Rego Gil is leaving that post soon and will take a seat on the administrative council of the Machline group. "The market is changing too rapidly. Those who cannot keep pace with the changes will not be able to survive the new times," Gil said.

Partnerships

Such companies as the Machline group, which have been preparing longer for the opening of the borders, have a better chance of surviving the end of the market reserve. Last year the group signed a contract with IBM and created a new company, the MC&A, which is already assembling PS II personal computers in Curitiba. Other companies in the sector are also seeking partnerships with foreign companies. This was the case, for example, with Elebra, which has formed an association with the American firm Digital to produce minicomputers. However, most of the companies already admit that, without the protection of the market reserve, they have a very difficult challenge ahead of them. Last week a group of businessmen in the sector went to Brasilia to deliver a document to Dorothea Werneck, secretary of the economy, requesting exemption from the ICMS [Merchandise Distribution Tax] and the IPI [Manufactured Goods Tax] for Brazilian computers and special lines of credit for the computer firms. "The domestic products are heavily taxed. The government must change this situation and offer incentives to the national industry," said Carlos Rocha, president of Abicomp [Brazilian Association of Computer and Computer Peripherals Manufacturers].

It is unlikely that Brasilia will accept the recommendations. The farthest the government is prepared to go is to reduce the import tax on electronic components, which should happen in April. It may be that the measure will inject a little gas in the nation's computer industry, but it is unlikely that even this will protect some of the Brazilian firms from foreign competition. Technologically, they are so far behind that last year 40 percent of the 170 [as published] computers sold in Brazil were bootlegged.

Chile

Aylwin Holds Second Anniversary News Conference

PY1103203892 Santiago Radio Chilena Network in Spanish 1517 GMT 11 Mar 92

[News conference by President Patricio Aylwin at La Moneda Palace in Santiago on the second anniversary of his inauguration—live; broadcast in progress]

[Text] I would like to give a brief exposition on the second anniversary of the current presidential term. This anniversary represents half of my presidential term, which is the shortest in the history of constitutional life in Chile.

This is an appropriate opportunity to evaluate what has been done and the tasks to be done. If you ask me how I feel, I would say that I am enthusiastic about what we are doing. I feel satisfaction over what has been done, and I have the will to continue with renewed efforts.

I am aware that there are faults, that there are problems, but there is a strong desire to face these problems with the same vigor to which we are accustomed. I believe it is important to evaluate the achievements made and the challenges ahead of us. I believe that the primary achievement of my government is the environment of peaceful coexistence achieved by Chileans. The internal war has disappeared. We are no longer either friends or enemies. This is a country where the large majority of Chileans have reconciled themselves, where the truth has been clarified in the face of the drama created by the violation of human rights, where there is a will to amend and do justice, where there is a desire for coexistence, and where the search for agreement prevails.

There are obstacles and, without any doubt, the major one is related to the lack of people's security due to violence and terrorism. Therefore, our greatest task in this area is to continue with our current efforts to ensure a peaceful coexistence and the enforcement of the state of law for all Chileans and to prevent and appropriately punish terrorist crimes. I believe that the achievements made recently by the police services on this matter have been very important.

In the political area, the primary achievement has been the normal functioning of our democracy. The constitutional powers, the president of the Republic, and the National Congress are carrying out their functions; the judicial branch also is doing its job as an independent power. The relationship between the constitutional civilian power and the Armed Forces is the appropriate relationship in a state of law.

Things are pending. We have consolidated democracy, but we have to improve it. The constitutional reforms on municipal matters that will lead us to the democratization of the municipalities next June is an important achievement. The reform of the judicial system is still pending also. We also have to carry out other reforms, such as the reform of the electoral system and reforms to give greater democratic representation to our public powers and government organizations. These reforms will be proposed by the government in the upcoming months.

We have made great achievements in the economic area. We have achieved an obvious economic growth. We inherited a country experiencing problems, which compelled us to make adjustments.

In spite of this, Chile experienced economic growth in 1991 totalling more than 5 percent, a notable growth in exports, an increase in national and foreign investments,

and an increase in savings. Moreover, the government is promoting the development of public works and infrastructure programs to improve what Chile has achieved in this area in the last 20 years.

We also have achieved economic stability. We have been able to make the economy work based on clear and comprehensive rules. We have also curbed the inflation rate.

What tasks must be tackled in the next two years? We must center our actions on two objectives: to increase economic growth, particularly in the government's determination to improve the national infrastructure—that is roads, ports, irrigation projects, airports—by promoting new investments. We also must persevere in our efforts to achieve an even larger decrease in the inflation rate.

Although we were successful in 1991 in our goal of achieving an 18-percent inflation rate, we hope this year we will be able to obtain a 15-percent inflation rate. Despite this being a difficult goal to achieve, we must be clearly aware that this is still not enough. Consequently, we have to make progress so that Chile will achieve an inflation rate no higher than 10 percent—that is, a single-digit inflation rate—within three years.

Like all the tasks in which we are involved, this is a task that will last beyond this government term. But my government will unceasingly seek to achieve the most it can in this area.

The government's primary goal has been to achieve social justice. We have said that our economic program seeks to achieve economic growth based on social justice. The following are some of our accomplishments: Medium-level salaries have increased by almost 7 percent in real terms, and minimum salaries have increased more than 16 percent; minimum pensions have increased more than 13 percent; and the employment level has increased in the last few years—in 1991 there were 112,000 new jobs and the unemployment rate dropped to 5 percent. We have health, housing, and education programs that seek to resolve the problems affecting low-income sectors and the poorest sectors of Chilean society. We want to definitely close the gap separating the poor and the rich.

We have made a notable effort in the housing area. On average, less than 50,000 houses per year were built in the eighties. In its two years in government, this administration has built an average of 85,000 housing units per year. In 1991, we reached the historic record of building 91,000 housing units.

Many tasks are still pending. Undoubtedly, the great objectives of the government—of all democratic governments—are to overcome poverty and improve the standard of life for all Chileans and to grant more opportunities to low-income sectors. This is also the objective of my administration and the Coalition of Parties for Democracy [CPPD], which will continue to accomplish these objectives in a future administration.

Finally, Chile is a country fully reinstated in the international scene and is respected in the world. It is solving its problems with its neighbors in a very good manner, among which I can mention the agreements with Argentina on border conflicts and on complementary economic matters, which are very significant. The free trade agreement with Mexico and agreements being negotiated with other countries of the continent offer important prospects for the development of our country. We also hope to achieve a free trade agreement with the United States. We maintain a relationship within the framework of international law, and we also have achieved prestige for our country among all countries of the world.

Consequently, and summing up, if you ask me if I am satisfied, I would say: Yes, I am satisfied and happy with what we have done, but with no foolishness, without pride, and without arrogance. I believe we are progressing and that we are fulfilling our promises to the Chilean people.

If you ask me: Are you worried? Yes, I am worried about renewing efforts and continuing the work because this government will not end its task by only waiting for the end of the remaining two years of my term in office. In these two years, we must continue working as we have done so far, and we will see many more fruits than what has been achieved so far. In this manner, we will be able to create the conditions to guarantee the stability of our democracy on the same basis that has inspired the action of this government and that is interpreted by the CPPD.

This is the introduction to the news conference. I am now at your disposal to answer the questions you would like to ask.

[Carlos Salinas, EL MERCURIO] Good afternoon Mr. President.

[Aylwin] Good afternoon.

[Salinas] In relation to the assessment you have made, I would like to ask you about the prospects for stability that you see in the government coalition, taking into account the fact that an international conflict in the past few days, in which Chile is involved, has provoked a split within the coalition, or at least a disagreement among the most important parties that make up this coalition.

[Aylwin] Listen, I am convinced that the CPPD is a very solid political coalition. I do not believe in the existence of any other coalition of political parties in Chile that can simultaneously reconcile its identity around two essential aspects: first, its democratic inclination—the respect for freedom, human rights, and the state of law; second, the quest for social justice, for growth with equal rights, and the concern to defeat poverty, not only hoping that it will end through the effects of development but with policies clearly intended to create conditions of equal opportunity for all Chileans. I think this is very solid and has strengthened the coalition. Concerning disagreements, well, disagreements can be found even in the most united matrimonies. It is normal for a human being to have his own ideas and to have

different ideas on concrete problems. The important thing is that we understand each other in order to overcome these disagreements. And I am certain that we will achieve this.

[Maria Angelica Rodriguez, Radio Chilena] President, the people are asking who is responsible for the Honecker case, considering that you will not impose any punishment on the foreign minister or the ambassador. And I would like to ask another question, Mr. President. What is your opinion about the fact that former Soviet Union President Mikhail Gorbachev was received a few days ago in Germany with the honors of a chief of state? Gorbachev is practically the one who took Honecker to Russian territory.

[Aylwin] The truth is that punishment is imposed when something incorrect, some illegal or immoral act that deserves punishment, is committed. In this case, we are investigating who is responsible. The one responsible will be punished. But I do not believe that anyone is responsible because there has been nothing incorrect or illegal.

I would say that there is a rather morbid tendency to see repudiated, scandalous, or dishonest acts in anything or any event.

What occurred in this case? First, Honecker was president of a nonexistent state. He was welcomed by the Soviet Union, which is another nonexistent state. At the time this occurred, he was informed by this state that he was to be extradited to Germany to be tried; he resorted to requesting protection from the Chilean Embassy.

The Chilean Embassy accepted him as a temporary guest. I hereby inform you and the entire country that the decision to accept him was my decision, and I assume full responsibility for this decision. Some may say that I made this decision after Honecker entered the embassy. Yes, that is true. I was not previously consulted on whether to welcome him or not. But I believe in what I was told, that he entered the embassy at a special time in that country's political era, that is, at a moment in which the Soviet Union disappeared and a new state was established, and in the face of an imminent threat that he was to be extradited. I can say that if I would have been at the embassy at that time, I would have done the same thing. I would let him enter the embassy no matter whether I like or dislike him, no matter the opinions on Honecker's personality and his responsibilities as former dictator of a state or of any other [word indistinct].

Consequently, the matter in question is not to try to find guilt. The foreign minister has taken all the steps so far in compliance with my instructions. I was constantly worried about the situation. I have thus answered your question. Why are there no sanctions? Because there is nothing to be sanctioned. There is a problem that has to be resolved, and the government is trying to find the best solution to this problem.

[Gerhard Hoffman, German television] You already know that there is a great concern in Germany. The question is why a country like Chile—which still suffers the consequences of a dictatorship—does not allow another dictator, who also violated human rights, to be sent to trial? In other words, why is he treated as a guest, if Interpol has issued an arrest warrant against him? Finally, I would like to know whether there was strong pressure by Germany.

[Aylwin] I will refer to the last question. I do not accept pressure from anybody. I really do not feel pressured by anybody. I have exchanged respectful and friendly letters with Chancellor Kohl. We presented our respective viewpoints and in no way felt pressured. What I and my government regarded as incorrect was a statement that was made public on a step that reportedly was to be taken—but which fortunately was not taken—because this was really a [word indistinct]. I repeat, I do not accept pressure.

I am taking this opportunity to say the following: It has been said here that I have been pressured by the Socialist Party or by certain political groups. I have not felt pressured, at any time, by anyone concerning this matter or any other matter.

Quite another thing is that I have the duty to listen to the viewpoints of the various ruling government parties, and also the opposition parties, when they are expressed in respectful terms. Those who explain their viewpoints are not pressuring me. In short, I (?respond).

You asked me: Why is Chile defending this gentleman who violated human rights, considering that Chile experienced human rights violations for many years and has been concerned about trying to have these violations punished? There was a double standard suggested: a domestic standard and an international standard.

I am answering you: Chile is not defending Mr. Honecker; nor does it intend to save [sustraerlo] him from anything. We have clearly said that the conditions or requirements to legally claim the right of asylum are not present in this case. And, basically, they are not present because the state that intends to claim jurisdiction to punish Mr. Honecker, the Federal Republic of Germany, is a state that gives full guarantees for the effectiveness of a state of law. Therefore, there is not a risk of abuses that could involve human rights violations, even the defendant's human rights, because defendants also have human rights.

Now then, we have been very clear. In my case, I have told this to Chancellor Kohl.

We have made this decision based on humanitarian considerations, bearing in mind this person's old age and delicate condition at the historical crossroads at this moment.

Subsequent events, following medical tests and the overcoming of political instability, have been politically defined. This happened in both states. Undoubtedly, this has given rise to circumstances that must be analyzed because guest status is an eminently temporary status.

The Chilean Government never thought of Mr. Honecker staying there indefinitely.

Therefore, I proposed in due time that Chancellor Kohl and President Yeltsin unanimously seek the most acceptable solutions, based on the principles of international law and equity. And I hope that the negotiations that we have begun and that will be finalized within the next few days will achieve a satisfactory result for all the countries involved.

[Unidentified reporter from a German television station] Mr. President, General Augusto Pinochet yesterday pointed out that no one can fill his position—that it is not vacant. Periodically, Gen. Pinochet makes remarks that impact upon national and international public. Without considering constitutional provisions, for the good of democracy, would you like Gen. Pinochet to leave the post of commander in chief?

[Aylwin] I noticed two things in the remarks published today by the newspapers or quoted as being Gen. Pinochet's words. First, I noticed the remark that he is irremovable, as established by the Constitution and, concerning this point, I have nothing to say because the Constitution is clear on this matter.

A system was arranged to allow the commanders in chief—those who were commanders in chief the day I assumed power—not to be removed, to enjoy irremovability, not only during the four years established by the permanent provisions of Constitution, but for another four years. This is in the Constitution, and I am respectful of the Constitution. I assumed power as president knowing that such a provision existed and that I had to count on that factor.

I also feel it is my duty to correct something he said. He said he has the rank of a chief of state. I find this truly surprising because the only one to hold the rank of chief of state is the president. Except for officials under the jurisdiction of the legislative and judicial branches—which are independent government branches and which, therefore, have their own hierarchy—all other national officials are subordinate to the president.

The commanders in chief are subordinate to the president of the Republic, as chief of state, and to the defense minister, who is the secretary of state responsible for national defense issues. This is expressly stated by the Constitution.

Concerning your question on whether I wish the general to leave, the truth is that I am already used to [laughs] governing with Gen. Pinochet in the post of commander in chief, and I do not see or I do not have any special purpose in this respect.

Quite another thing is for me to believe the commanders in chief should be irremovable in an appropriate, democratic constitutional system. An additional proposal that we will advance in our country, in Congress, is to put an end to that irremovability—which is unique in the entire world. Congress will see to whether it does or does not approve this proposal. I am not aware of the constitution of any democratic country in which the commanders in chief are not subjected to the president's, to the chief of state's decision, on the permanence of their posts.

Now then, since I am not persecuting or discriminating against anyone, if Congress approves this amendment, I will propose that it be implemented after the term of the current Armed Forces' commanders expires. I do not intend to resolve a minor problem. Indeed, I claim to improve the Chilean democratic system and reestablish for future Chilean presidents a power of which they should never have been deprived.

[Reporter, name and organization indistinct] Mr. President, you said you feel happy about your government's achievements. As just mentioned, however, the former dictator shows some (?detached) and even derisive attitudes toward your government. I would ask you what other measures you plan to implement during this term in order to end those attitudes and some other vestiges of the former dictatorship?

[Aylwin] Look, I really have not perceived, at any moment, any derisive or challenging attitudes by the general. When it seemed to me that he went beyond his strictly military, institutional duties, I told him so.

The world bears witness that Chile went through a sui generis democratic transition—the Chilean model. Quite often, the changes from a dictatorial regime to a democratic system have been linked to repressive, punishing actions against the former authorities. As a result, this creates a vicious circle and the war continues. I believe that one of my government's greatest achievements is that the war has ended. We Chileans are not waging war against each other. History will judge concrete crimes. Courts must judge and the government urges them to judge human rights violations or acts of violence, but we are striving for a coexistence in which we can overcome disagreements and even sins, mistakes, and past abuses in order to achieve a nation that is united in the work toward achieving progress and the full effectiveness of a state of law.

[Claudio Sanchez, Channel 13] Good afternoon, Mr. President. Reports datelined in Germany state that Mr. Honecker would be willing or reportedly said that he would be interested in killing himself in case he is sent back to Germany. These reports add that reportedly this information was secretly conveyed by the Chilean Government to the German Government. Last night, the Socialist Party president did not rule out this possibility and said that, in a desperate measure, Honecker could (?actually) commit suicide. Do you believe this is serious information or simple speculation?

[Aylwin] I can only tell you that all I know is what the cable stated. I can assure you, however, that this information was not supplied by sources linked to the Chilean Government, nor has the Chilean Government supplied this information because we do not have it, and we do

not have any background information to confirm it. Nor, as far as I know, has any official linked to the Chilean Government supplied it. And the reports we have received from the appropriate officials do not support that information.

[Volker Stielke, (?ZUERCHER) ZEITUNG] Just one question. How will the problem be solved now? You said that this guest will stay at the embassy only for a certain time. Therefore, how long will Mr. Honecker stay, and how will you solve the problem and improve relations between Chile and Germany?

[Aylwin] In the first place, I want to tell you that relations between Chile and Germany cannot be resumed because they have never been severed. I received a very friendly letter today from Chancellor Kohl on my government's second anniversary, which proves that we maintain excellent relations. Only speculation links this problem to a deterioration, an alleged deterioration, in relations between our countries.

Now, how will this problem be solved? You as a reporter with some experience must know that international negotiations, in order to be successful, must be confidential. If government leaders begin to discuss our points of view through the press, or to negotiate through the media, it will be very difficult to reach a good solution. Consequently, my government will not give any information in advance on how this problem will be solved. It only will say that it is willing to solve this problem based on the principles of international law and equity and to seek a solution in a friendly manner with the German Republic and Russia, the countries involved. I am confident that we are going to reach a solution very soon. Things like this usually take some time, but I trust that we will reach a good solution for all.

[Manuela Robles, Radio Cooperativa] Mr. President, you said that you are working hard and making decisions to reduce the gap between the wealthy and the poor. However, there are a large number of inhabitants in Chile living in extreme poverty and misery, which lead them to drug addiction, delinquency, etc. On the one hand, what would you say to those people and to the young people who express some dissatisfaction and disappointment on the second anniversary of your government. On the other hand, with the plan to control inflation, develop the economy, and increase employment, have you contemplated some tax reform to achieve a better distribution of the country's income?

[Aylwin] I will begin with the second part of your question. There is no tax reform plan. We do not believe that the problems of equal development will be solved by means of a new tax reform. Some unforeseen circumstances might warrant the study of reform in the future, but right now there is no plan for a tax reform.

Now, regarding poverty in Chile, we have been the first to admit and reaffirm that there are approximately 2 million Chileans living under extreme poverty. And the policy we have implemented precisely seeks to overcome, to defeat that poverty, to change that situation. But we have never said that we would manage to abolish poverty in Chile in two years or in four years. I will end my term in office, and with deep concern in my heart, I still will see poor people in Chile. But I hope that the approximately 400,000 Chileans who, when I assumed office, did not have a home or who lived in shantytowns, now have decent houses. This is an example of reducing poverty. I hope that the number of young people—and in the last four years I have met many young people—who have been trained to work to earn a living under good conditions will increase day by day, and that will take them away from the dangers you mentioned.

I hope that over four years the Chilean union movement will acquire enough representation to allow it to negotiate its work demands with entrepreneurs on a more equal footing. I also hope this improvement will became a source of greater stability and will improve the standard of living and workers' incomes. I hope that the productivity of companies and workers will improve along with the gross national product due to the many programs we are implementing to train workers and improve their technological knowledge. I hope that the average earnings of workers who live on a salary will increase more than they have increased thus far and that the breach between the poor and the rich will narrow. I hope that the redistribution of income will improve the standard of living of the poorest sectors. I hope our efforts in the educational field will mean that children who are in school today will receive a better education and better training to face real life. I hope they will be able to enjoy better health and will suffer less from a lack of adequate food, than when we took power.

In sum, I feel that the problem you have brought up is a very real one. No one can doubt that the situation of the poorest sectors of my fatherland is my main concern as a leader and as a human being. I am convinced that we are working to improve their situation, that we are improving conditions, and, above all, that we are working with them.

I have always said that this is not a task for a single administration; it is a responsibility of the entire people. Help yourself, and I will help you. While touring settlements in Valparaiso and Vina del Mar last weekend I saw, with great emotion, the progress we are making in solving neighborhood problems by providing drinking water, sewage disposal, schools, and neighborhood clinics. The government and the community are working together. The gesture of a neighborhood committee that donates a lot of land to build a technical-professional school is a significant gesture representing a collective willingness to build the fatherland and overcome peoples's problems together.

[Arturo Castillo, Megavision] Returning to the Honecker case, the questions are why and what for? If asylum is not appropriate in this case, if the humanitarian reasons that were used at the beginning are no longer valid as a result

of the medical report, if Chile does not intend to let Mr. Honecker escape justice, if Chile believes Germany has given guarantees as a state where law is respected, why is Honecker still in our embassy and why does Chile seek a legal solution to the problem?

[Aylwin] I will begin with the last part of your question. Chile seeks a legal solution to the problem because the civilized way to solve all controversies, disagreements, or problems between states or peoples must be legal and according to current laws; that is, according to the laws, reason, and fairness.

The humanitarian reasons we mentioned were not just that Mr. Honecker had terminal cancer. The truth is that no one mentioned that Mr. Honecker had terminal cancer when he entered the embassy. This bit was added later. Mr. Honecker's health is not very good. Mr. Yeltsin told me in his letter that he is in serious condition. The medical report says that even though his condition is satisfactory, he has generalized arteriosclerosis, kidney cysts, and a series of other things that I would not like to have, and I do not think you would want to have. All these things do not exactly paint a very rosy picture, and they weigh in our decision and will determine the outcome we are seeking for him. I have also said that states follow some juridical standards when moving an individual from country to country.

The police mechanism of Interpol is not the only tool available. The police capture an individual, take him to the border, and release him into the custody of the other country's police. No. The law permits this mechanism only in very specific cases. I do not think this mechanism can be used with a former head of state, no matter what the accusations against him. We have very complex juridical problems here. I repeat what I said at the beginning. The state where this man must be tried no longer exists, and the state that granted him asylum does not exist either. There are people who say that the problem is very simple and speak loudly about what the government must or must not do—disqualifying a minister or the ambassador. I tell these people that the minister has all my trust. I have confirmed the ambassador in his post. I have asked him to stay in Chile for a couple of weeks because I need him here. The problem is complex; if it were not complex we would not have a problem. This is not just whim.

Any person who has knowledge of international law—let me just mention that in the past few days various media sources, not precisely pro-government, have published interviews or consultations with jurists, international jurists, who have proposed alternatives and discussed the complex nature of the problem. A complex problem cannot be solved by simply saying: Get out or I will show you the door. You will see your way out so that other police can seize him and take him at the border. [sentence as heard] No. Because we respect even the human rights of those who may have violated human rights, we act according to the law. We are seeking a solution in accordance with the laws and with our concept of fairness. We expect to achieve that.

[Peter Bates, REUTER] Mr. President, Russian and German government officials have said that they will not accept mediation. The German Congress said it would not accept the mediation of an international tribunal, and the Russian Congress said it would return Mr. Honecker to Germany. Will that not kill Chilean negotiations before they even begin?

[Aylwin] No, because the negotiating mission—the instructions of the ambassador who is undertaking this special commission—contain alternatives to the positions that the German and Russian Governments do not consider to be convenient, for reasons that I respect. There are other possible solutions. Other proposals could result from the discussions between our ambassador and the representatives of the Russian and German Governments.

[Raul Rojas, LA TERCERA] There is not just applause on this second anniversary. The UDI [Independent Democratic Union] vice president said that yours has been an administrative government that has obtained only mediocre results. Francisco Javier Errazuriz says that this government is seeking a political dictatorship, in clear connivance with the right and the left. And the MIDA [Allendist Leftist Democratic Movement] today demanded a confession that this government has never achieved a true democracy. What is your answer to criticism from such diverse quarters?

[Aylwin] First, I respect the right to criticize. Everyone has the right to say what he thinks. This is the advantage of democracy. I am not angry about that. I will not call them unpatriotic or the enemy, as those of us who disagreed in the past were called under governments that some of them applauded. The truth is that to say that anyone is seeking a political dictatorship in Chile is groundless nonsense. It is more like imaginative speculation. I respect Francisco Javier Errazuriz considerably; I consider him a very likable person, but sometimes he exaggerates. It seems to be fashionable to call us mediocre, particularly in sectors that cooperated with the previous regime or among people who did not say a word about the human rights violations or who believed everything was all right before. In view of the fact that they cannot formulate concrete charges, nor point out the bad things, nor show us the areas where we are failing, they say we are mediocre. We are growing at a rate of 5 percent, but they say we should grow at a rate of 10 percent. We have brought inflation down to 18 percent, but they say we should have cut it down to 8 percent. Why did they not do that when they were in government? The truth is that I cannot pay much attention to accusations that we are mediocre because I believe—I do not want to comment on their intentions—that their assessments often sound more like resentment than rational statements.

Regarding the position of some groups that criticize the government, saying it has turned to the right or that it is

compromising on democracy, I think they are equally unfair. As a candidate or as a coalition platform, we have never offered to make radical or sudden changes in the short term or to implement revolutionary methods; nor have we offered to do the things they ask us to do. We are doing what we promised the country we would attempt to do. We are progressing. We have consolidated our democracy. We live in democracy in Chile. We are perfecting that democracy. We are achieving social peace. We are seeking understanding among Chileans. We are seeking growth with fairness.

[Announcer] I know there are many more questions to be asked but, regrettably, the president has other engagements pending. In view of this, we are compelled to close this news conference at this time. Thank you very much and good-bye.

Pinochet Says Daily Misinterpreted Remarks

PY1203164292 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 11 Mar 92

[Text] There are more reactions to the news conference held by President Patricio Aylwin this morning. Army Commander General Augusto Pinochet said his words were misinterpreted when he said yesterday that his rank of commander in chief is irremovable because it is the rank of a chief of state. This is how Pinochet responded to the observations made in this regard by President Aylwin this morning.

The entire corps of generals met today, except those who are abroad. General Augusto Pinochet came to the War Academy to preside over the meeting. The generals met for over one hour to discuss institutional policies for this year. Afterwards, in an impromptu conversation with reporters, General Pinochet answered all the reporters' questions, including one about President Aylwin's surprise over his remarks yesterday.

[Begin recording] [Pinochet] A daily published a foolish remark indicating that I said my rank was that of a chief of state. This is an mistake. What I said is that to have the rank I hold I had to be chief of state. Do you understand? Not that I am a chief of state or that I feel (?like) a chief of state.

[Unidentified reporter] The president said in his news conference that he is accustomed to governing with you. Are you also accustomed to Patricio Aylwin being president of the Republic?

[Pinochet] Why should I not be accustomed, since anyone can be president of the Republic and he should be respected. I have never been disrespectful, especially of the highest authority. [end recording]

Another question put to him was about national reconciliation as one of the main tasks of this government. Pinochet was asked: Gen. Pinochet, do you believe the Army has reconciled with the people?

[Begin recording] It depends on what you call national reconciliation because this country has always been divided. There is a civilized reconciliation, but they always have something to say about me. [end recording]

He did not want to talk about the Honecker case because it is outside his jurisdiction. He said:

[Begin recording] Remember how I acted toward the people seeking asylum when I was president. [end recording]

Colombia

Ministry Asks Venezuela To Explain Gulf Remarks

PA1103203392 Mexico City NOTIMEX in Spanish 1803 GMT 11 Mar 92

[Text] Santa Fe de Bogota, 11 Mar (NOTIMEX)—The Colombian Government on 11 March asked Venezuela for the full text of the remarks by new Venezuelan Foreign Minister Humberto Calderon Berti regarding the Coquivacoa Gulf, disputed by the two countries, the Colombian Foreign Ministry reported on 11 March.

In addition, former Conservative President Misael Pastrana and a group of lawmakers demanded that the government make Venezuela explain Calderon's remarks. Calderon Berti said on 10 March that the Coquivacoa Gulf "has belonged to Venezuela for 500 years and this will continue because it is a vital area for our nation."

On the morning of 11 March, the Colombian Foreign Ministry asked the Venezuelan Embassy here to provide the text of Calderon's remarks, which the Colombian public regards as offensive. The Colombian Government will not issue any official statement on the matter until it receives and reviews Calderon's remarks, the Foreign Ministry stated in a communique. Calderon Berti made his remarks on 10 March after being sworn in by President Carlos Andres Perez, who removed seven of his ministers.

The dispute between Venezuela and Colombia on the Coquivacoa Gulf, which Venezuelans call the "Gulf of Venezuela," dates back to the last century. Months ago, the two governments created a binational commission to study the border conflict and propose a negotiated solution.

Government Proposes Value Added Tax Increase

PA1103225992 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 11 Mar 92

[Text] The national government has just announced that it will propose to Congress an increase of the VAT [value added tax] from 12 to 18 percent. This large increase is stated in the new tax reform that the finance minister has just disclosed.

The government also proposes that municipalities be authorized to establish surtaxes for gasoline and tolls to

finance public works. The new reforms establish a 17 percent tax on the income of industrial firms over a 10-year period. This money is needed to strengthen government security programs. With the new taxes, and by penalizing tax evasion, the government is seeking to collect 500 billion pesos.

[Begin Finance Minister Rudolf Hommes recording] We propose that Congress increase the VAT from 12 to 18 percent. From this increase, the government suggests that 4 percent be earmarked to finance the reforms implicit in the political constitution, including transferring funds to the municipalities, as you mentioned a short while ago. The other 2 percent would be used to create the surplus that the Bank of the Republic's board of directors is seeking, and they will increase the base of the VAT to cover all property and services except those that are basic consumer goods. All public services will be exempt, of course, including health and education services; only these are exempt. All other services will be taxed, including financial services. Among financial services, nevertheless, neither credit nor leasing [preceding word in English] would be excluded, because that would increase Colombian producers' financing costs, which is not what we are after. However, all other services, commissions, etc., that are charged in the financial sector will be taxed by the VAT.

The other important aspect of this reform is that it will finance the transfer of resources from the central sector to the departments and municipalities. At present, the central sector shares more or less 30 percent of its regular income with the municipalities and departments. As of next year and until the year 2003, we will increase such transfers until they reach 42 percent of regular income. I believe that these transfers will be allotted almost exclusively to education and health in the departments and municipalities. I also believe that not only the government, but the country can be at peace. If this tax reform is approved, disbursements will increase year after year in the areas of education and health at the local and community level. [end recording]

Peru

Fujimori Looks To Tokyo To Revive Economy

OW1203110092 Tokyo KYODO in English 0936 GMT 12 Mar 92

[Text] Lima, March 12 KYODO—President Alberto Fujimori is looking to Japan for help in reviving the Peruvian economy and funding its antidrug campaign but said Thursday this year may be too soon for Japanese assistance experts to resume their work in Peru.

Meeting with the Japanese press, Fujimori indicated he would take his message to Tokyo where he begins a weeklong visit in Japan on Sunday.

A son of Japanese emigrants to Peru, Fujimori will be making his first state visit to Tokyo although he has visited Japan three times since being elected president in July 1990.

Since taking office, Fujimori has carried out a fiscal austerity program in an attempt to check inflation in Peru and revitalize the struggling economy.

On Thursday, Fujimori said Peruvians have been struggling with the belt-tightening measures but have supported the government in order to escape the economic malaise and spare their children these hardships.

Asked about the return to Peru of workers from the Japan International Cooperation Agency (JICA), Fujimori said they would return at a time when the workers' safety can be ensured, but speculated that this year may be too soon.

Three technical experts from JICA, the foreign assistance body of the Japanese Foreign Ministry, were murdered in Peru last July by radical opponents to the Fujimori administration, prompting Tokyo to halt the dispatch of such workers to Peru.

Fujimori said he hoped to attain some results in dealing with the leftist guerrillas that plague his administration before his term ends in July 1995, adding that the dispatch of the JICA technicians could then start again.

Echoing his position from the recently held drug summit in Texas, Fujimori insisted that financial support and investment are necessary in helping Peruvian farmers change from growing coca leaves for cocaine to a different crop.

He asked Japan for financial cooperation, saying that Peru has become a "battlefield" in the war against narcotics and Japan should take part in the war.

Queried about last month's failed coup d'etat in Venezuela, which was brought about Caracas' own austerity programs, Fujimori expressed confidence that it was not an omen of a possible putsch in Lima.

"The Peruvian people understand the condition of the economy is difficult," he said, "The military supports the government in all phases."

Venezuela

Legislators Criticize Perez, Demand Resignation

PA1203125592 Mexico City NOTIMEX in Spanish 1934 GMT 11 Mar 92

[Text] Caracas, 11 Mar (NOTIMEX)—On 11 March, legislators from the Venezuelan opposition Social Christian Party [COPEI]—which became members of a national unity government on 10 March—insisted that President Carlos Andres Perez resign and criticized the nascent alliance.

The reaction occurred hours after the banging of pots and pans, a civilian protest against Perez' government to demand his resignation, which shook Caracas and 10 other Venezuelan cities on 10 March.

Police reported on 11 March that six policemen were injured during the protests, two of them by gunshot, on the night of 10 March. The police, however, did not report civilian casualties, although press reports said that at least one person died. At least 30 people were injured and 15 persons were arrested during violent demonstrations and confrontations in the center of Caracas at noon on 10 March.

Unlike a couple of weeks ago, when pots and pans were banged in poor neighborhoods west of Caracas, the demonstrations—which included voluntarily turning off home lights, setting off firecrackers, and firing weapons—spread to residential areas of the capital.

Meanwhile, COPEI legislator Paciano Padron said in a letter addressed to Perez: "Millions of our countrymen actively, and in varying degrees, beat pots in unison with shouts demanding that you resign."

According to the deputy, Perez has been unable to eliminate the risk of another rebellion, as well as a growing social unrest, six weeks after the foiled coup of 4 February.

In the letter, Padron says that as many as 18 of the country's 20 million citizens, "who are neither friends of a dictatorship nor enemies of democracy," desire a rebellion to solve the country's problems. Padron suggested Perez present his resignation on 12 March, when he will attend a joint session of the two chambers of the Congress to present a report on his three years of government.

Douglas Dager, another COPEI legislator, said that "Venezuelan democracy will not be saved" just because two COPEI members have joined the government. Dager said that COPEI, which has alternated in power since 1958 with the now ruling Democratic Action Party, should remain in the opposition now that social sectors demand changes in the economic policy and an equitable distribution of wealth.

On 10 March, Perez swore in Humberto Calderon Berti as foreign minister and Jose Ignacio Moreno as minister for investments, both of them COPEI members. Five other ministries, including Interior and Commerce, were assigned to members of the official party and to independent personalities.

The ministerial changes, as well as the temporary price control measures and the pledge for a determined attack on corruption, all of which were announced last week, seek to end the institutional crisis provoked by the military rebellion on 4 February.

The Confederation of Venezuelan Workers [VTV], the trade union arm of the ruling party, joined its collective voice to the criticisms against Perez. VTV Secretary General Cesar Olarte said that the 10 March demonstrations were "the most overwhelming" proof of the people's mistrust of the announced governmental reforms. The government party leadership, however, said that elections will be the only way to make Perez leave the presidency. This supports the president's consistent reply to the insistent demands for him to resign.

Opposing Views on Constituent Assembly Reported

PA1103163092 Madrid EFE in Spanish 1625 GMT 10 Mar 92

[Text] Caracas, 10 Mar (EFE)—The promise by President Carlos Andres Perez to conduct a referendum before May to amend the Constitution and convoke a constituent assembly has been rejected by the ruling Democratic Action (AD) party, and part of the Social Christian Party (COPEI), the country's second largest political force, which is split by internal divisions on this issue.

AD, which has a social democratic ideology, favors constitutional amendments, but does not support calling a constituent assembly. The AD directorate noted it is opposed to calling a constituent assembly since it is not necessary to draft a new constitution but only to amend some parts of the one in force since 1961.

AD Senator Enrique Tejera Paris, a former foreign minister, expressed his opposition to the election of a new constituent assembly as proposed by Perez. In his opinion, it would be "more of the same." Tejera Paris reportedly favors a referendum to gauge public opinion on various subjects, as a quick and efficient mechanism that permits "immediate and more direct consultation."

"The referendum is the quickest solution to the crisis," Paris said, objecting to constitutional amendments to convoke a constituent assembly, which he said would require procedures that could last at least two years.

The Advisory Council appointed by President Perez proposed constitutional amendments last week to create a constituent assembly, in an attempt to find a solution to the political crisis that has gripped Venezuela since the 4 February aborted military coup.

The Christian Democratic Party, COPEI, the second largest political force in Venezuela, experienced internal divisions in view of the contradictory positions of some leaders who support the constituent assembly, and others opposed to changes leading to a new constitution.

Former Venezuelan President Luis Herrera Campins (1979-84), a Christian Democrat, said a constituent assembly is the best solution, "the less traumatic, and the one that can more effectively channel the hopes and contradictions that exist in the people's minds at this time."

Herrera Campins, a COPEI lifetime senator, expressed his support for convoking a constituent assembly, as well as Zulia State Governor Oswaldo Alvarez Paz, one of COPEI's most outstanding leaders. Alvarez Paz said none of the current members of the Venezuelan Congress

should be members of the constituent assembly, because senators and deputies "represent one of the primary objectives of the change."

However, the COPEI parliamentarian bloc and the secretariat of that party disagreed with Alvarez Paz regarding the need to convoke a constituent assembly. The COPEI parliamentarians supported the proposal of their AD counterparts to amend the Constitution without separating senators and deputies from their posts. Senators and deputies receive monthly salaries of approximately $2,000, which is 20 times above the current minimum wage.

COPEI Secretary General Eduardo Fernandez said on 10 March that "I will defend my proposal supporting the constituent assembly until the end."

Tribunal Arrests Civilians for Coup Participation

PA1203135692 Paris AFP in Spanish 2144 GMT 11 Mar 92

[Text] Caracas, Mar 11 (AFP)—The Second Military Court in Caracas issued arrest warrants against eight civilians, including university students from the neighboring city of Valencia, for their alleged participation in the foiled military coup.

Second Military Judge Colonel Ramon Moreno Natera stated that the civilians were arrested and sent to the San Carlos Military Garrison in Caracas on 9 March. This is the first official announcement that civilians participated in the military uprising. President Carlos Andres Perez indicated that the attempted coup had been a strictly military movement. He added that the movement had the endorsement of civilians but denied that the latter had actively participated. Another 109 officers and NCO's are also under arrest, charged with involvement in the foiled coup. On 11 March, military courts ordered the release of eight officers and NCO's on probation; this action increases the number of military officers in this category to 103.

The military court stressed that the civilians were legally arrested "for allegedly participating in the crime of rebellion." The official VENPRES agency reported that there were several Valencia university students among the civilians arrested. Valencia, as well as Marcay, Maracaibo, and Caracas itself, were the central points for the 4 February military uprising.

Prices of Staples Reportedly To Remain Stable

PA1203001692 Caracas Venezolana de Television Network in Spanish 1601 GMT 11 Mar 92

[Text] The price of flour, rice, cooking oil, tomato paste, milk, and medicine will not be raised for the next six months. The Ministry of Development and the productive sectors of the country have signed agreements to stabilize the prices of these staples.

Former Development Minister Imelda Cisneros, has reported that the agreement signed with Asograsas and the Association of Industrialists contemplates a selling price to the public of vegetable cooking oil of up to 75 bolivares per liter. The price of powdered milk will remain stable. The Development Ministry decided on a price for tomato paste of between 27 and 49 bolivares. Cisneros said that medicine manufacturers are to produce commonly used medicines immediately and that the government will subsidize popular drug stores.

Simon Avil, acting president of the Venezuelan Chamber of Industries, explained the changes.

[Begin Avil recording] The fact that prices, such as those for tomato paste, have remained stable over the past two years is proof that there is a free market. We expect this stability to continue for the next few months. [end recording]

* Venezuelans Evaluate Perez' First Three Years

* Lower, Middle Classes

92SM0272A Caracas EL UNIVERSAL in Spanish First Section 2 Feb 92 p 12

[Article by Gerardo Chacon F.]

[Text] Among Venezuela's different social classes, opinions are divided between the positive and negative aspects of the government of Carlos Andres Perez (CAP), who is about to celebrate his third anniversary.

Most of those questioned answered that CAP's administration is poor, principally those social groups which have experienced a decline in their quality of life since the package of measures was implemented in 1989 and specifically the middle and lower classes.

Despite the president's statement in his inaugural address to the effect that: "We cannot continue to impose sacrifices on those who have the least, forgetting those that should be made by higher-income groups."

Reality is different and the people are forced to suffer the consequences of the chief of state's failures. They express the following views of his government:

"There is nothing good about it," says Rodolfo Barrientos, a peddlar by trade. "Poverty is what we see. The cost of living and lack of security are rising under this government."

A similar response was given by Pedro Salazar, a craftsman who said, "I see nothing good. This is the worst government the country has ever had because all its measures benefit the rich."

Housewife Aura Martinez sees in CAP's travels one of the government's most negative aspects. "He spends his time traveling and forgets about those of us living in Venezuela."

The middle class tends to have a more balanced view of the government, as reflected in both positive and negatives views we encountered.

"The government has not been able to attenuate the cruelty of the package," says economist German Gil. "It is well-designed, technically speaking, but cruel."

Gil said the social megaproject should have been applied from the very beginning of the adjustment measures. "Certain items in the basic grocery basket should continue to be subsidized, at least a little longer."

However, not everything is bad. The country has achieved an extraordinary growth rate if we start from the fact that it was negative before the economic adjustment, the economist added.

Administrator Rafael Aguin points to the following positive and negative aspects: "The package is apparently yielding positive results on a macroeconomic level, but this is not reflected in the neediest classes, ie., the poor and middle classes. The package should also require sacrifices from the wealthier classes."

Law student Maria Lameda listed as a good policy the economic opening and advantages it offers in terms of the competitiveness of Venezuelan products vs. foreign products and the industrial conversion that induces businessmen to be more competitive.

"I believe," she continued, "that the negative aspects of this period include Decree 1911, the Social Security system that abandons the elderly, the lack of security, the prison system, and the way wealth is distributed."

From this social stratum, the most radical person in terms of his observations of CAP's administration was merchant Enrique Mejias, who sees nothing good about the president's performance and has gone so far as to leave his party, the AD [Democratic Action], because of the disillusionment produced by this government.

"We must take parallel measures to the adjustments imposed by the IMF in order to alleviate the effects of the package. Its application has brought no benefits to the masses. My current situation is middle class or lower," he explained.

Franklin Chaparro, general director of a security company, was very specific about the good and bad points of the current presidential term.

"Positive," he began, "was the restoration of the economic guarantees, the success in refinancing the debt with a rescheduling for payment and privatization."

Negative: "I think that the lack of security, which tripled under this government, is very damaging." Chaparro Rojas observed that the figures on certain types of criminal activity such as stolen cars and residential burglaries have risen tremendously.

The businessman also referred to the government's failure to control inflation last year inasmuch as it initially put it at 15 percent but, by the end of the year, at over 34 percent.

If we add the 1989 rate of 84 percent and the 1990 figure of 35, it is very hard for businessmen to bear the burden of high costs without raising prices on their services.

Numerical Aspects of Interview

Ten persons were surveyed from each of the upper, middle, and lower classes and it was noted that most persons from humbler origins (eight) overwhelmingly felt that Perez' administration was bad. Two persons refrained from answering.

The middle class had a greater diversity of criteria, with five persons deeming the results of CAP's administration poor. Two others deemed it average and three refused to answer for fear of reprisals, arguing that they did business with the government or that they had received favors from Perez and therefore could not criticize him.

Finally, 40 percent of the upper class judged President Perez' administration as average, while 60 percent refrained from giving opinions about it.

How do you view Carlos Andres Perez' three years in government?

Resources	Social Class	
	Low	Middle
Poor	80%	60%
Average	—	20%
Good	—	—
No opinion	20%	20%

The opinion poll questioned 10 persons from the middle and lower classes. Of the former group, six persons said CAP's government was bad. Two in the group recognized economic achievements, while two expressed no opinion.

The latter were more categorical in their responses about Perez' term and said it was bad. Two abstained from answering.

* Businessmen, Politicians

92SM0272B Caracas EL UNIVERSAL in Spanish First Section 2 Feb 92 p 12

[Article by Gerardo Chacon Fernandez]

[Text] The economic policies implemented by President Carlos Andres Perez [CAP] have not improved the well-being of the majority of the people, although some positive macroeconomic aspects are mentioned.

While it is stated that the economy grew 10 percent last year, that growth benefited only the classes that dominate the country economically.

Today, on the third anniversary of the government of Carlos Andres Perez, the opinions of various political and economic personalities exhibit a tendency to find the positive and negative aspects of this administration in the "package of measures."

In the meantime, the middle and lower classes are suffering the consequences of an failure to adapt to an "easy" way of life offered by Venezuelan leaders through political patronage and the populist measures passed in previous periods when resources were abundant.

An opinion poll was conducted to determine the positive and negative aspects of CAP's term of office. Some of those polled agreed that the general impoverishment of the population is the most visible consequence of the program of economic adjustments. The following are their views:

Alfredo Tarre Murzi, COPEI [Social Christian Party] senator: "I think this government of Perez was worse than the previous one because CAP's first government at least nationalized oil. Now it is denationalizing everything in search of I-don't-know-what. Perhaps he wants to get in good with the Americans and businessmen.

"At the rate he is going, Carlos Andres may surpass Lusinchi on the road of mistakes and corruption. I do not believe the president is acting in good faith because he has shown so far in this term that he does not have the slightest intention of changing, even though we had all hoped his government would be better than the one in 1973.

"I think the only thing good about Perez' term is that at least I can write without being afraid they will have me beaten up, as Lusinchi did."

Reinaldo Figueredo, CAP's former minister of foreign relations: "The balance is positive, but it is difficult to break it down because we are more than two-thirds way through the term. The sign that we are on the right path is the confidence shown by the transnational firms when they bought CANTV [National Telephone Company of Venezuela]. It demonstrates confidence in what can be done in Venezuela."

On the negative side of the ledger, he pointed to the social effect of the adjustment program, inasmuch as the latter requires an economic recovery so that it will have a positive social impact on the majority of the population.

Ramon Escovar Salom, attorney general: "I prefer not to express any opinion."

Freddy Rojas Parra, president of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry]: "Perez' government has managed to organize the efforts of all sectors of the country in such a way that they control the political and social variables that determine the success of economic projections.

"The bad thing about it is the element of social distortion and destabilization, and the area where we have failed the most is the administration of justice."

Aurelio Concheso, president of Consecomercio [National Council of Commerce and Services]: "We did a thorough study at the end of 1991 and determined that the main failure of the Perez Administration was the loss of control over inflation and the lack of legal framework required by the new economic model.

"What is positive are the privatizations because they eliminate one avenue of waste for public spending. I would also mention the revival of the Cartagena Accord, which creates a favorable framework for increasing commercial transactions in the region. In addition, there is the restitution of economic guarantees which restored Congress' power to legislate on economic matters."

Jose Curiel, COPEI undersecretary: "I think that Perez' Administration has promoted certain economic reforms that can unquestionably improve the national situation. However, they do have a negative side, which is their insensitivity to the problem of the man in the street, who every day is in a worse economic situation. Hunger, poverty, and insecurity are on the rise. Perez has worried more about foreign policy than the problems we have at home."

Carlos Bernardez Lossada, president of the Bank of Venezuela: "On the whole, it has been a positive administration. Without question, the path marked out since 1989 is the right one for the country, with all the problems its implementation implies.

"We are moving toward a Venezuela that is going to be included in this interconnected, economically more open world. Only a few adjustments and the Financial System Reform are needed before we are on the right path to the Venezuela we want.

"What is negative are the adjustments entailed by application of the economic program as a reflection and consequence of the elimination of populist policies followed over the past 30 years."

Hilarion Cardozo, president of COPEI: "The collective opinion is the best parameter and what one sees and feels is a negative evaluation. For public opinion, the balance is negative.

"While the administration has marked up macroeconomic successes, there is a great gap in social policy that has put the burden of whatever the government does not want on the people.

"The president must listen to the people's heartbeat and rectify his policies. In conclusion, the people have a negative view of this government."

Luis Enrique Oberto, president of the Chamber of Deputies: "I think that the positive things one would record have to do with the relationship established with the different governors, independently of the fact that they are elected officials. I think that within the process of the

reaffirmation of democracy and the process of decentralization there is a way to move the country forward.

"On the negative side of this government's ledger is its deaf, stubborn attitude, its way of handling economic policies that could be beneficial to the population if it were willing to evaluate them periodically with an open mind and motivated by a desire to modify them in areas where the evaluation indicates a need for change in procedure and orientation.